



# ANNUAL REPORT 2020

Year ended  
August 31, 2020



## LifeWear, Changing the World

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UNIQLO's highly functional outerwear is perfect for everyday life, or an outdoor excursion. On the left is a hybrid down parka that combines premium down with moisture-absorbing thermal padding developed jointly with Toray Industries, for both warmth and style. On the right is our windproof fleece long-sleeve full-zip hoodie made from boafleece coated with a soft windproof film.





Our seamless down range is warm because wind cannot easily penetrate the garments. The secret to seamless down's popularity also lies in its durable, water-repellant finish and stylish silhouette.



# Fast Retailing, the LifeWear Company

Fast Retailing seeks to deliver the joy, happiness, and satisfaction of wearing great clothes to all people worldwide. Our corporate philosophy is: Changing clothes. Changing conventional wisdom. Change the world. As the world's third-largest manufacturer and retailer of private-label apparel in terms of sales, Fast Retailing operates multiple fashion brands including UNIQLO, GU, and Theory. UNIQLO, the Group's pillar brand, generated approximately ¥1.65 trillion in annual sales from 2,252 stores in 25 countries and regions in FY2020. Driven by our LifeWear concept for ultimate everyday clothing, UNIQLO offers unique products made from high-quality, highly functional materials at reasonable prices by managing everything from procurement and design to production and retail sales. The main drivers of UNIQLO growth have expanded beyond Japan to Greater China (Mainland China, Hong Kong, and Taiwan) and Southeast Asia. Meanwhile, our fun, low-priced GU fashion brand is generating annual global sales of approximately ¥250 billion, primarily in Japan.

In terms of our broader strategy, the entire Fast Retailing Group is currently pressing ahead with the Ariake Project, which seeks to transform the apparel industry into a new digital retail industry that focuses on the commercialization of information. We are leveraging various advanced technologies to build a seamless supply chain connecting Fast Retailing and our partner factories, warehouses, and stores worldwide. This Ariake Project transformation also seeks to achieve greater sustainability, through initiatives that minimize the environmental impact of our business and create a manufacturing environment that upholds human rights. Fast Retailing is driven by a passionate desire to harness the power of clothing to enrich the lives of people around the world and create a more sustainable society.

In this report, ¥ denotes Japanese yen.







# LifeWear, Making Life Better

Our knitwear, made from advanced materials, offers both outstanding comfort and design. This fluffy soft mock neck sweater and straight pants outfit is great at home or outside on a quick errand.





# LifeWear, for Sustainability

In our stores, we collect clothing that customers no longer wear, and deliver it to people in need through our All-Product Recycling Campaign. Together with the UNHCR, we delivered clothing to refugees in Malawi in 2020.



MESSAGE FROM OUR CEO



LifeWear, Changing Cr



COVID-19 has radically changed our society and our lives. It has also threatened the survival of apparel retailers like us. However, I believe we must turn this crisis into an opportunity to further transform ourselves.

Our LifeWear (ultimate everyday wear) seeks to create simple, quality clothing that fully satisfies daily needs and enriches all people's lives everywhere. COVID-19 has changed customers' lifestyles and what they want from everyday clothing. Now, customers want simple, long-lasting, high-quality, comfortable clothing that doesn't waste precious resources. That is exactly what LifeWear strives to offer.

Fast Retailing has many strengths, including the fact that we manage the entire clothes-making process ourselves from planning and manufacturing, distribution, in-store and online retail, right through to recycling. We are one of the world's biggest apparel companies in terms of production volume. We have many talented employees around the world and we have built a framework that actively utilizes information technology to enhance our commercial business. We have steadfastly forged a solid operational platform that we are further strengthening through our ongoing Ariake Project corporate transformation.

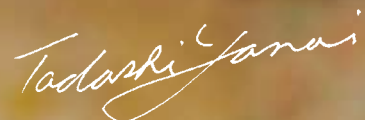
In spring 2020, while COVID-19 was dampening people's spirits, UNIQLO forged ahead and opened a string of new global flagship and large-format stores in prime urban locations in Japan such as Ginza, Harajuku, and Yokohama. These stores have safely welcomed many customers. The way I see it, cheering people up is part of our social duty and reason for being.

We will continue transforming ourselves into an even stronger company centered around LifeWear by being vital to society. We are contributing to a sustainable society by providing products and services that customers need, and helping to solve environmental, human rights, and various social issues.

January 2021

**Tadashi Yanai**

Chairman, President and CEO



# isis Into Opportunity

# Clothing Infrastructure to Support Society

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## Appreciation of LifeWear Grows Even During COVID-19

Our ultimate everyday LifeWear clothing is made for all people regardless of nationality, ethnicity, gender, or age. People worldwide can easily select and purchase LifeWear to suit their individual lifestyles. I don't think I'm exaggerating when I say that now is exactly the time for our ideal LifeWear to blossom, in the wake of these great coronavirus-induced changes

across the globe.

UNIQLO's branding and products have advanced dramatically over the past decade as our global store network has expanded. Today, UNIQLO is recognized as a global brand. The key to UNIQLO's success all over the world is the fact that so many people relate to our LifeWear concept. I think that global appreciation and support for LifeWear will continue to strengthen, even in the face of COVID-19, because LifeWear enables you to shed the unnecessary and create your own unique lifestyle.

LifeWear enriches time at home—clothes, blankets, and other goods benefit from our experience in making soft, comfortable apparel. 3D-knit lambswool-blend turtleneck sweater (left). Girls flannel long-sleeve checked dress (right).







## This is LifeWear

**LifeWear** is clothing designed to improve everyone's life. It is simple, high-quality, everyday clothing with a practical sense of beauty, ingenious in detail, designed with life's needs in mind, and always evolving.

### Our Driving Ambition: Become the Infrastructure That Supports Society

This might sound obvious, but we make clothes for our customers, not for ourselves. As part of our Ariake Project, we are analyzing customer opinions and developing the products that customers want now. We are also steadily increasing the accuracy of estimated product sales.

For instance, demand for relaxing loungewear has expanded with more people staying home due to COVID-19. People want good-quality, comfortable clothing that will last even after repeated washing. In response to that demand, we have developed various casualwear items, which are selling well.

Our front-opening innerwear is one example of how we created a commercial product based on customer

requests. We received many requests for front-opening innerwear, to be used by those who find it difficult to pull clothes on and off over their heads, such as people with limited mobility and people in nursing care. UNIQLO took those comments into account and brought front-opening innerwear to retail. In response to the mask-related requests we were receiving, we also developed AIRism face masks made with material ordinarily used to make UNIQLO innerwear. UNIQLO used its unique technology to create a highly functional mask that is gentle on the skin, which earned many messages of gratitude from happy customers.

The information collected directly from customers worldwide is useful for product development. To enhance this strength, we need to apply Ariake Project tools to the ever more accurate analysis of changing customer needs. In the realm of apparel, I want Fast Retailing to become a key piece of the infrastructure supporting society. That is our mission and our reason for being.

# LifeWear = Sustainability

## Sustainable Growth for Our Society

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### Making Society Better

The spread of COVID-19 is severely impacting communities and economies across the globe. In a situation like this, individuals and corporations worldwide need to proactively join forces to turn this crisis into an opportunity, and create a better world through concrete action.

Right after the virus had emerged, we donated money, masks, and infrared thermometers to partner factories and business partners in China so they could respond to the challenges at hand. We also donated HEATTECH and Ultra Light Down clothing to frontline medical workers. As the virus spread globally, we provided support to countries and regions that needed it. I believe it is the clear social

duty of any company operating a global business to provide such support. Ensuring the safety of our customers, business partners, and employees is equally important. Each of us only has one life on this Earth. Offering peace of mind and a safe working environment are key to a functioning company. These are necessary in order to help customers and to contribute to society.

However difficult the circumstances, we will not run away from a crisis, but face it head on. In today's world, it is definitely not enough for only you or your company to thrive. Instead, we want to join forces with other determined individuals and businesses to think about what we must do to make the world a better place, and then take action. We will stand at the forefront and keep pressing forward.



Staff at the Osaka Saiseikai Nakatsu Hospital said their large stock of masks and isolation gowns gave them peace of mind.



## Supporting a Sustainable Society With Circular LifeWear

In all our business activities, we strive to fulfill our corporate philosophy of creating a better world through clothes. Today, customers scrutinize companies and buy from those that benefit society.

Being involved in a business like ours that manages the entire clothes-making process—from materials development through production and retail—means that customers and society as a whole will judge whether we are encouraging wasteful, excess production, and whether there are any environmental, labor, or human rights issues at our partner factories. We work earnestly to react and find a solution to any issues that arise. Recently, there has been a greater focus on making products that embrace the concept of a “circular economy.” For apparel, this means using the resources that serve as

clothing materials more effectively. UNIQLO has now joined this effort.

For instance, in the 2020 Spring Summer season, we started selling DRY-EX polo shirts that use polyester recycled from used plastic bottles. Our unique recycled polyester method was developed by UNIQLO’s strategic partner Toray Industries. UNIQLO global brand ambassador Roger Federer wears these DRY-EX shirts during his tennis matches. Then, for the 2020 Fall Winter season, we recycled feathers from used down products and successfully used them to make new down jackets. An automated machine developed by Toray made it possible to recover the feathers from used down products, and in turn, we were able to produce large volumes of new down jackets. By February 2020, we were able to collect approximately 620,000 used down products to be recycled. This shows just how much value customers place in sustainable products.

There are many issues to consider with this sort of circular production. These include high manufacturing costs, difficulties with mass production, and maintaining a high level of quality. We will continue the proactive development of recycled products that compare favorably with our existing products in terms of price and product quality.



Left: UNIQLO global brand ambassadors Roger Federer (left, professional tennis player) and Shingo Kunieda (right, professional wheelchair tennis player) wear DRY-EX items made with recycled polyester during matches.

Right: Uniqlo U 100% recycled down jacket is a versatile piece suitable on its own or as a layer.



# New Strategic Stores in the Tokyo Area

## New Store Formats, New Styling Inspiration

In spring 2020, we opened strategic global flagship and large-format stores in the prime Tokyo locations of Ginza, Harajuku, and Yokohama. These stores were inspired by a desire to give shoppers the full experience of LifeWear clothing. Safely opening these stores despite COVID-19 brightened our customers' spirits.

The UNIQLO PARK Yokohama Bayside store, which incorporates a sloping rooftop park, embodies the LifeWear goal of being an integral part of people's daily lives. In this combined UNIQLO and GU store, I want customers to enjoy both brands, and have a shopping trip that feels like a fun day in the park. From the rooftop park, customers can view Yokohama's yacht-filled marina and enjoy a little downtime.

UNIQLO Harajuku features displays linked to our digital StyleHint app and our largest full-floor display of UT printed T-shirts anywhere in the world. The

store allows us to share the latest information about UNIQLO, right from the famous Harajuku fashion district. Jointly designed by UNIQLO and GU, the StyleHint app enables customers to check global styles and explore style ideas using picture search. We invite customers, employees, and influencers to model their own creative styling combinations of new UNIQLO and GU items. App users get much more enjoyment out of their clothes as they discover new ways to wear them.

Our new UNIQLO TOKYO store in Ginza is a global flagship store that boasts the largest floor space of any UNIQLO location in Japan. The interior exudes a spaciousness that accentuates the original building's attractive features. The LifeWear Square area in the center of the ground floor showcases items that illustrate what makes UNIQLO products great. The bustling store also houses boutique shops for Group brands Theory and Comptoir des Cotonniers. Inspired by the concept of enjoying life to the fullest, we have even started selling fresh flowers on the ground floor.



A 240-picture full-wall display inside UNIQLO Harajuku enables shoppers to refer to photos of popular influencers and app users to help discover their own perfect style.



# LifeWear SQUARE



**AIRism**  
comfort & conditioning technology

LifeWear Square displays UNIQLO's highly functional ranges and collaborative products, and gives a clear overview of UNIQLO's LifeWear concept.

# Fusing Physical and Virtual Stores Fuels Online Sales

## Accelerating Global Investment to Make E-commerce Our Main Business

People shop in various ways. They might buy goods online while in a store, or might check a product on their phone, then come to a store to purchase it. Whether it is through physical or online stores, what is important to the customer is that they can immediately buy what they want, when they want it.

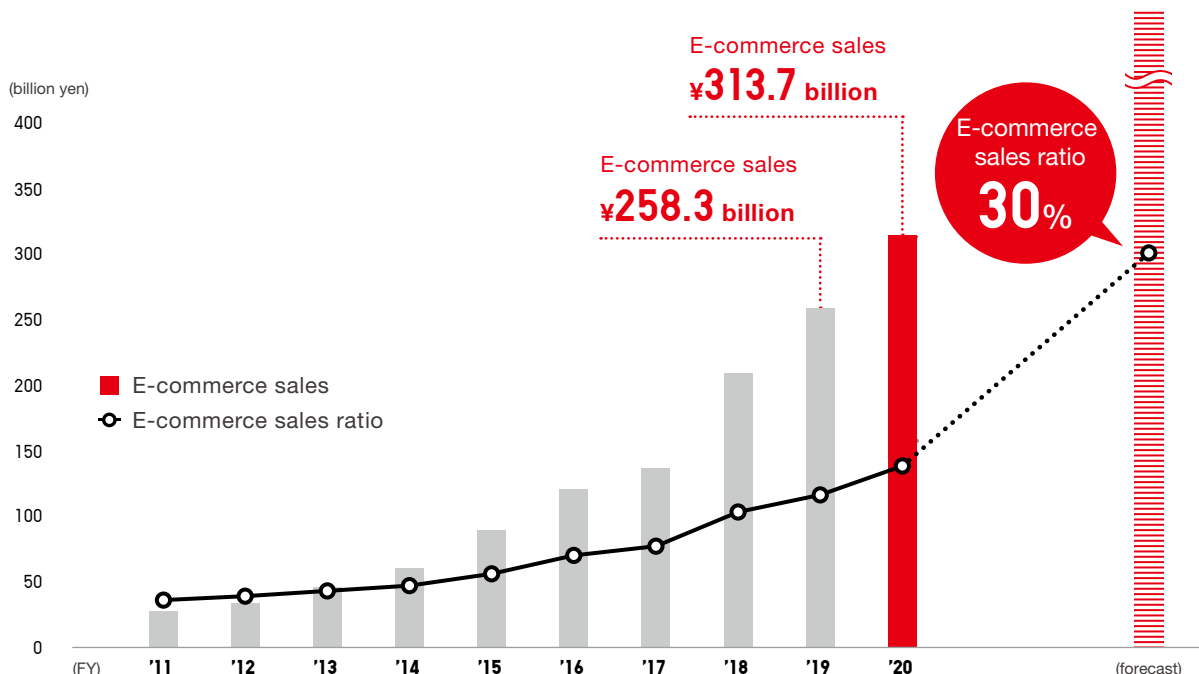
E-commerce sales were boosted by lifestyle changes brought about by COVID-19, but ultimately the rise of online shopping is due to customers choosing the most convenient shopping method. Our aim is to unify our sales channels. By using our StyleHint app, customers can access

up-to-the-minute information on their phones, see clothing combinations firsthand, and buy the products they want immediately, whether in-store or online.

In FY2020, online sales for the whole Fast Retailing Group topped ¥300 billion, representing approximately 15% of total sales. We have declared our goal of expanding this to 30% in the future. Fast Retailing boasts a global network of over 3,000 stores, and we want to rebuild business platforms in individual markets to increase synergies between stores and e-commerce. We will also proactively invest and secure the human resources required to expand our e-commerce business.

We are pressing ahead with our Ariake Project because we are determined to develop e-commerce as a main business. Transforming our distribution systems is one key component. To deliver online purchases to customers straight away, we have begun

Fast Retailing Group E-commerce Sales and Sales Ratio







This world-class automated apparel warehouse in Ariake, Tokyo operates with minimal staff 24 hours a day, 7 days a week, 365 days a year, meaning products are delivered to customers in a timely manner.

setting up our own distribution centers and automated warehouses, starting with our Ariake Warehouse in Tokyo and our West Japan EC Warehouse. We intend to develop similar infrastructure in Mainland China, the United States, and Australia. Operating our own distribution warehouses will allow us to prevent product shortages by unifying e-commerce and in-store inventory. Centralizing stock in this way will enable us to deliver goods to customers from in-store stock if we don't have e-commerce inventory. A system like this has already been established in Mainland China, allowing us to deliver products via the

optimal route. We plan to gradually develop similar systems in Japan and worldwide, and we intend to further enhance shopping convenience by providing more "click and collect" services for customers to pick up their online purchases from a nearby store.

We are also creating frameworks to quickly order additional production of strong-selling items based on online sales information and to swiftly develop new products that successfully anticipate changing customer needs. I believe the building of new business models that fuse physical store and e-commerce operations will continue to drive future growth.



# Spurring a FY2021 Recovery

## Expect Further Recovery in FY2021

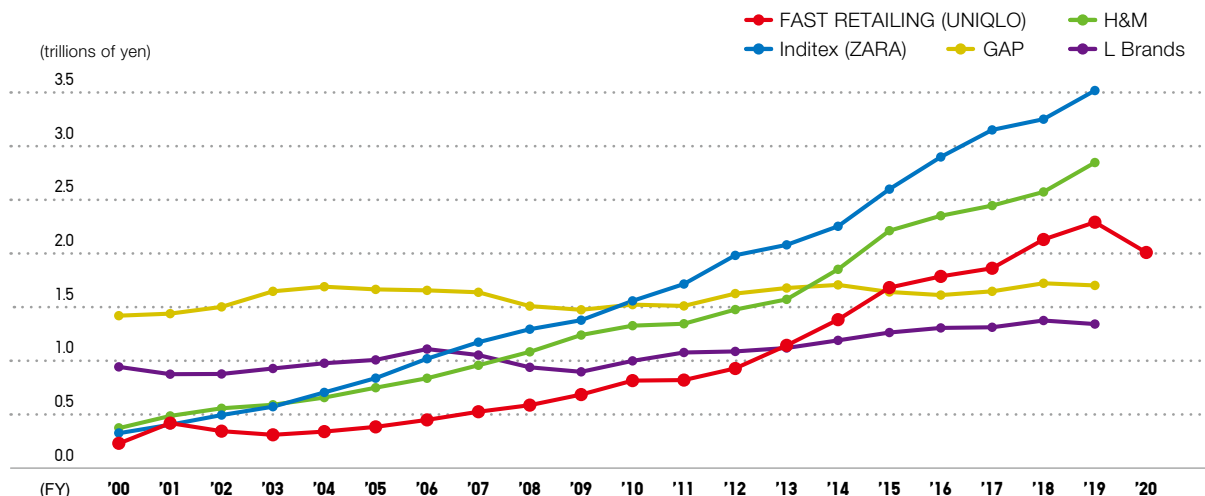
UNIQLO FY2020 revenue and profit declined sharply in all overseas markets in the wake of COVID-19. However, we expect to see a healthy recovery in FY2021. UNIQLO Japan sales began recovering from mid-May 2020 with clothing demand in the pandemic shifting toward casualwear, loungewear, and sport utility wear. Mainland China constitutes a large portion of UNIQLO International sales, and sales there started recovering at a faster-than-expected pace from March 2020 after COVID-19 infections were brought under control. It is hard to predict corporate performance in parts of Southeast Asia, North America, and Europe that are still experiencing lockdowns, but we will strive to generate a recovery there while prioritizing customer and employee safety.

We expect Greater China (Mainland China, Hong

Kong, and Taiwan) and Southeast Asia will generate the greatest growth going forward. Middle-income populations are predicted to increase dramatically as economies develop, and I believe younger generations will fuel consumption. We plan to open multiple new stores in the region spanning Mainland China, Southeast Asia, and India, which we view as the growth center of the global economy.

UNIQLO operations in North America and Europe were hit hardest by COVID-19, resulting in poor overall performance in FY2020, but online sales expanded rapidly. We will promote our LifeWear concept by compiling product lineups that suit local customers' needs. We will press ahead with our scrap and build policy to forge a network of prime-location, high-profit stores. We aim to generate a UNIQLO recovery in North America and Europe in FY2021 despite COVID-19 lockdowns and other lingering uncertainties. We will strengthen product development and improve profit margins and cost ratios to spur a recovery for GU as well.

Sales at Leading Apparel Retailers



\*Compiled from individual annual report data and calculated using exchange rates as of end of November 2020.



# Building a Truly Global Platform

## Linking Individuals and Companies Worldwide to Create a Better Society

My dream is to build a truly global platform that transcends national and cultural boundaries. I am determined to deliver on our corporate philosophy to make the world a better place through clothes by working with talented global designers, innovators, and companies to create products that offer real meaning and value to customers.

Fast Retailing has operational bases in the major cities of the United States and Europe, as well as

East Asia, Southeast Asia, and Australia. We are also opening stores in emerging markets such as India and Russia. These global platforms truly represent the source of our strength. As the world continues to face many challenges and issues, we will join forces with individuals and companies around the globe to help realize a better society for all.

I believe that there are no national borders in business. I will continue doing everything I can to make the world a better place by forging close links with individuals and companies that possess superior talent and advanced technologies, creating new clothing value through LifeWear, and providing people all over the world with the joy, happiness, and satisfaction that clothes can bring.



### THE FAST RETAILING WAY—FR Group Corporate Philosophy

**Changing clothes.  
Changing conventional wisdom.  
Change the world.**

#### GROUP MISSION

- To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing great clothes
- To enrich people's lives through our unique corporate activities, and to grow and develop our company in unity with society

# Building a Sustainable Society

Fast Retailing's overriding aim is to make the world a better place through clothes. The Fast Retailing sustainability statement concentrates on “unlocking the power of clothing.” We pursue core sustainability efforts in six material areas, and are now working tirelessly to achieve our goals in each of them.

## Our Six Key Areas of Focus (Material Areas)

- 1 Create New Value Through Products and Services
- 2 Respect Human Rights in Our Supply Chain
- 3 Respect the Environment
- 4 Strengthen Communities
- 5 Support Employee Fulfillment
- 6 Corporate Governance



# SUSTAINABIL





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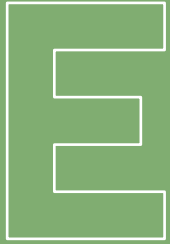
ENVIRONMENT

S

SOCIAL

G

GOVERNANCE



## Reducing Environmental Impacts Across the Supply Chain

Material Area 1

Material Area 3

- ▶ We commission environmental evaluations of major garment factory and fabric mill partners based on the Sustainable Apparel Coalition's Higg Index and help improve wastewater management and the handling of waste materials on-site.
- ▶ We have committed to the targets in the Paris Agreement for reducing greenhouse gas emissions by 2050 and are currently working to reduce greenhouse gas emissions at our stores and in the broader supply chain.
- ▶ We strive to prevent water contamination and reduce water and energy consumption in raw material procurement and manufacturing processes. We have set targets for major fabric mill partners to reduce water consumption by 15% and energy consumption by 10%.
- ▶ We aim to eliminate hazardous chemical emissions in all our products and production processes.
- ▶ We are reducing environmental impacts by cutting down on product packaging and shopping bags, and switching to environmentally conscious materials.



**RECYCLE**  
**REUSE**  
**REDUCE**

## LAUNCHING **RE.UNIQLO**

Clothes that can improve the future. In our new RE.UNIQLO initiative, our customers donate clothes they no longer need, and we create value by giving them a new lease on life. Since 2006, we have been donating used garments (REUSE) to refugees and displaced persons through our All-Product Recycling Initiative. Now we are promoting a cyclical program that transforms collected clothing into new garments (RECYCLE). Our recycled down jacket is our first product that transforms worn UNIQLO garments into new UNIQLO clothing, a move that will help reduce unnecessary waste and cut CO<sub>2</sub> emissions and resource use (REDUCE). Through this initiative, UNIQLO is determined to help create a sustainable society.





1

## Down Recycling Helps Circulate Valuable Resources



◀ Recycled Down Jacket



Automating the separation of down feathers and fabric for recycled down jackets serves to improve working environments.

We collect down garments that customers no longer wear, and recycle them into completely new down products. Since September 2019, we have collected approximately 620,000 down garments through our recycling campaign in Japan, which was expanded to 22 other markets in September 2020.

In the past, the separation of down feathers and fabric for recycling was usually done by hand, but UNIQLO started using a fully automated down separation system newly developed by Toray Industries. Not only is the system capable of handling 50 times the amount of down compared to conventional methods, but it also reduces the burden on workers, as airborne feathers and down particles can be hard on the lungs. Down feathers extracted using the separation system are cleaned and then reused as materials for new down products. Our recycled down jacket made with 100% recycled feathers went on sale in the 2020 Fall Winter season.



2

## All-Product Recycling Initiative: Donating Clothes to Refugees and Displaced Persons

Since 2006, UNIQLO's All-Product Recycling Initiative has accepted clothes that customers no longer wear for delivery to refugees and displaced persons worldwide through the Office of the United Nations High Commissioner for Refugees (UNHCR). In 2010, GU joined the initiative which now spans 23 markets. By the end of August 2020, we had donated 41.11 million items of clothing to people in 75 countries and regions.

Approximately 20% of the donated clothing is no longer wearable, and is transformed into recycled paper and plastic fuel (RPF), an alternative to coal and other fossil fuels used in special boilers operated by major paper manufacturers. Some is also turned into automobile soundproofing material that helps reduce the noise of gasoline engines and the high-frequency waves emitted by electric cars.



Refugee camp in Malawi





# Forging Deep-rooted Community Links to Solve Social Issues

Material Area 1

Material Area 2

Material Area 4

Material Area 5

- ▶ We are providing global support to prevent the spread of COVID-19.
- ▶ We collect clothing that customers no longer wear and deliver it to refugees, displaced persons, and other people in need.
- ▶ We respect human rights across our supply chain and create safe, fair working environments.
- ▶ We seek to create working environments that empower employees by protecting their health, safety, and human rights and respecting diversity.
- ▶ We seek to expand employment opportunities for people with disabilities, and for refugees.

## Monitoring Improves Working Environments Across the Supply Chain

Based on our Code of Conduct for Production Partners, Fast Retailing asks independent organizations to conduct regular inspections of human rights violations, working environments, and environmental safety at our partner sewing factories and main fabric suppliers. Each factory is informed of the inspection result. If required, Fast Retailing members visit factories and work with factory staff to implement appropriate improvement measures.



An employee at a UNIQLO partner factory in China

### Partner Factory Monitoring Results

Grade	Description	FR Group (UNIQLO)			
		FY2017	FY2018	FY2019	FY2020
A	No specific violations	67 (31)	61 (33)	40 (21)	52 (27)
B	Relatively minor violations	250 (139)	233 (135)	234 (143)	257 (162)
C	Risk of human rights or worker safety and health violations (e.g. inadequate provision of masks, gloves, and other protective gear)	196 (84)	229 (97)	239 (103)	237 (84)
D	Significant violation concerning human rights, safety and health, remuneration, or welfare benefits (e.g. inadequate emergency exit locking, wage calculations, etc.)	49 (13)	84 (34)	71 (18)	66 (12)
E	Serious human rights violations (child or forced labor) or extremely serious safety and health violations	14 (6)	5 (1)	1 (1)	1 (1)
Number of factories monitored		576 (273)	612 (300)	585 (286)	613 (286)

In FY2020, we requested D-grade factories to make improvements within three months, conducted follow-up monitoring, and reduced volumes at factories that had not made sufficient improvements. In our Business Ethics Committee, we discussed factory management and employment conditions at E-grade partner factories, and reduced production orders.



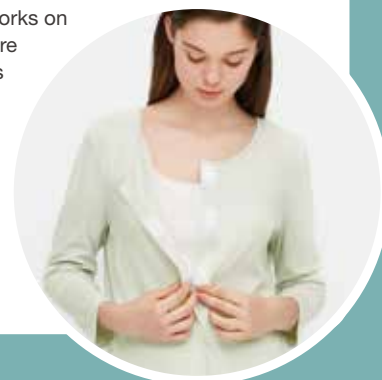
## Approaching Target of at Least One Employee With a Disability in Each Store

There are approximately 1.3 billion people with disabilities globally (17% of total population), including 9.5 million in Japan (7% of Japan's population). Fast Retailing has actively recruited people with disabilities since setting a target in 2001 to have at least one employee with a disability in every store. As of June 2020, 4.7% of Fast Retailing staff had a registered disability, which far exceeds the 2.2% legal requirement for companies in Japan. In recent years, we have extended our initiative to hire people with disabilities in operations outside Japan. Deepening understanding among co-workers and customers of the needs of people with disabilities, and nurturing mutual respect, are key parts of Fast Retailing's corporate philosophy and social commitment.

UNIQLO's front-opening innerwear was created after receiving requests from many customers, including those undergoing extended stays in hospitals. Our product development also incorporates guidance received at public venues including a symposium for customers with disabilities. It is important to address the needs of people with disabilities in order to create clothes that everyone can enjoy. We will continue to listen to all our customers and attentively respond to their needs.



Employee with a visual impairment who works on UNIQLO Ginza store clothing alterations



Front-opening innerwear ▶



A return-to-work seminar for female employees currently on family leave



## Different Work Styles for Different Life Stages Supporting Everyone's Career Path

We are reforming our human resource systems and implementing training programs so employees can find a work style that suits their particular phase in life, balancing childcare, nursing care, and career progression as needed. For example, we have already facilitated opportunities for female store managers, senior management, and external experts to directly exchange opinions, and for female store managers with young children to meet and exchange ideas. We have also conducted training programs for female management candidates, as well as implicit gender bias training sessions for senior management. At the end of August 2020, 38.4%\* of managers across the FR Group were women. We intend to continue expanding various systems to support the career development of all our employees.

\*Management grades in the sales department include all block leaders, all area managers, and some store managers. People in leadership positions at headquarters are also included in the figure shown.

# Supporting the Global Fight Against COVID-19

## Donated Masks, Isolation Gowns, UNIQLO Clothing to 26 Countries and Regions

Since March 2020, Fast Retailing has donated masks and isolation gowns to medical institutions and care facilities facing shortages of medical equipment in 26 countries and regions. We have also provided essential wear—such as UNIQLO's highly functional AIRism garments, innerwear, and outerwear—and offered financial support. Our efforts are ongoing, with 1.2 million isolation gowns and 5.76 million masks donated to Japanese medical institutions, 110,000 AIRism, HEATTECH, and down garments donated for use in China's Hubei Province, and 2.0 million masks and approximately 20,000 AIRism garments donated for use in the United States. We are also extending support to other countries with the help of UNIQLO global brand ambassadors, sports groups, and non-profit organizations. We will continue to offer as much vital support as we can to medical institutions, PCR test centers, care facilities, and other groups who provide the infrastructure that underpins our daily lives.

### ■ Key: COVID-19 Support (As of November 27, 2020)

-  Mask
-  AIRism Mask
-  Isolation Gowns
-  AIRism
-  Essentials



USA

AIRism products to Montefiore Health System, which runs 15 hospitals

### North America

 2.2 million  39,850  
 24,410



Japan

AIRism items and isolation gowns to Saisei Central Hospital



Germany

UNIQLO outer and innerwear to NGO Berliner Stadtmission

### Europe

3.61 million 62,725  
25,400 18,950

China



HEATECH and AIRism products to public and medical organizations in Hubei Province

### Asia

10.41 million 500,000  
1.43 million 420,873  
503,563

Hong Kong



AIRism items and DRY T-shirts to Fu Hong Society, a facility for people with disabilities

### Oceania

500,000 2,000

Japan



Masks to Nishiyama Dental Clinic

Malaysia



AIRism products to Hospital Haji Ahmad Shah





# Managing Swiftly and Transparently

Material Area 6



- ▶ Appoint mainly external directors to heighten the Board of Directors' independence and strengthen its surveillance ability.
- ▶ Promote swift, open debate and decision-making in individual committees that support the Board.
- ▶ Debate important governance-related issues in the Nomination and Remuneration Advisory Committee.



External Statutory Auditor Interview

## Strengthen Governance Through Rigorous, Multifaceted Discussion

**Takao Kashitani**

External Statutory Auditor

I serve on the Nomination and Remuneration Advisory Committee, which was launched in August 2019. To ensure substantive discussion in committee meetings, it is important to have a clear idea of the path Fast Retailing should be taking five or 10 years from now. When that path is clear, it is possible to judge whether a person is the most appropriate choice for that chosen task, based on individual business acumen and supervisory capabilities.

After more than 30 years in consulting on corporate regeneration, I am deeply conscious of the importance of people. Corporate regeneration involves looking carefully at your business model and pursuing appropriate structural reforms. It is important to develop win-win relationships not only for your business itself, but also for employees and the industry as well. I call

this “new birth” rather than regeneration because it represents an entirely fresh start. Fast Retailing is always embracing new things and transforming itself. People are a vital element of that journey. I believe we can deliberately grow the company in the right way by selecting powerful, talented people based on global standards and Fast Retailing's own exacting criteria.

The committee should also be constantly looking ahead and discussing Fast Retailing's succession planning. Here, it is important to take our time and voice our true opinions. Mr. Yanai is straightforward in his comments, and we statutory auditors and directors freely express what needs to be said. I hope to participate in continued serious discussion to help further strengthen Fast Retailing corporate governance.

## Board of Directors, Board of Auditors

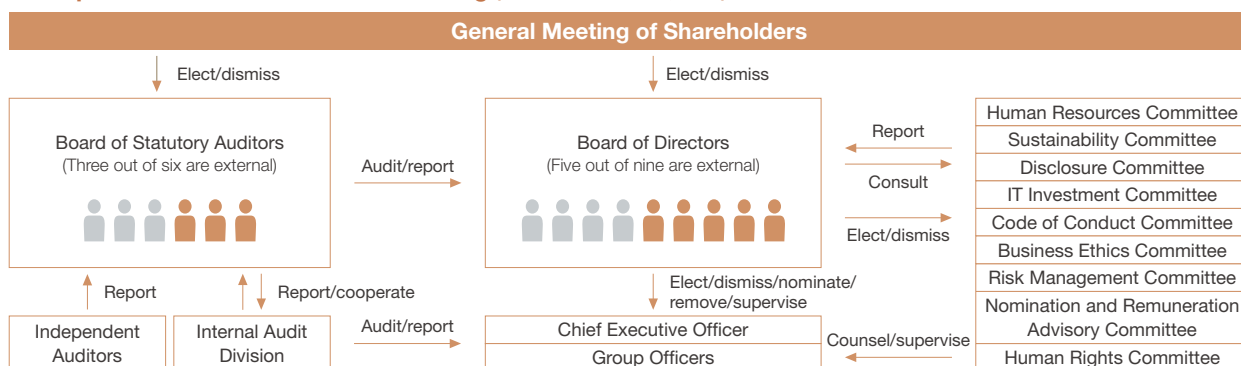
Having a majority of external directors on the Board strengthens supervision of decision-making by our CEO and other executive officers. Our external directors boast diverse superior expertise as former senior managers of global companies or as leading specialists in fields such as M&A and financial management. They offer objective opinions that are reflected in important management decisions. In FY2020, the Board discussed various topics including the fiscal year budget, approval of corporate results and director appointments, and strategy for Global Brands. The Board met 13 times in FY2020. The attendance rate was 99.1% for directors and 100% for auditors. External statutory auditors with certified accounting or legal backgrounds constitute half the Board of Auditors. The auditors ensure transparent auditing and participate in specialist and objective debates. The Board of Auditors met 12 times in FY2020 (100% attendance).

## Internal Control

We aim to establish internal control systems wherever we operate by promoting full compliance, building risk management frameworks, protecting confidential information, and pursuing thorough internal auditing. We seek to nurture a deep understanding of, and respect for, our Fast Retailing Group Code of Conduct by requiring all employees to take an annual online refresher course. We have also set up internal hotlines so that anyone can report or discuss potential compliance violations or concerns.

At the same time, our Risk Management Committee works to strengthen business-related risk management systems. The committee debate our preparedness and responses with regard to various issues, including the COVID-19 pandemic, the risk of a major natural disaster such as an earthquake impacting Tokyo, and information security risks.

### ■ Corporate Governance at Fast Retailing (As of November 27, 2020)



### ■ Composition of Committees (As of November 27, 2020)

● = Committee Member

		Human Resources Committee	Sustainability Committee	Disclosure Committee	IT Investment Committee	Code of Conduct Committee	Business Ethics Committee	Risk Management Committee	Nomination and Remuneration Advisory Committee	Human Rights Committee
Internal Directors	Tadashi Yanai	●	●	●	Chairperson				Chairperson	
	Takeshi Okazaki	Observer	●	Chairperson	●			Chairperson		●
	Kazumi Yanai		●							
	Koji Yanai		●							
External Directors	Toru Hambayashi	Chairperson							●	
	Nobumichi Hattori									
	Masaaki Shintaku				Observer					
	Takashi Nawa	●	●					●		●
Standing Statutory Auditors	Naotake Ono								●	
	Akira Tanaka	●	●			●	Observer		●	●
	Masaaki Shinjo			Observer	Observer		●			
	Masumi Mizusawa		●	Observer				Observer		●
External Statutory Auditors	Keiko Kaneko	●				●				●
	Takao Kashitani						●		●	
	Masakatsu Mori						Observer			
Group Officers and Other External Professionals		2	6	3	5	5	9	9	0	6

Note: The head of the Sustainability Department chairs the Sustainability and the Business Ethics committees, the head of the Legal Department chairs the Code of Conduct Committee, and an external expert chairs the Human Rights Committee. External directors and statutory auditors of each company offer opinions based on their individual areas of expertise.

## Messages From Our Directors



**Tadashi Yanai**

### Contribute to a Sustainable Society With True LifeWear

I strive to achieve transparent management and contribute to a sustainable society based on our corporate statement: Changing clothes. Changing conventional wisdom. Change the world. The way to continue providing ultimate everyday LifeWear is to press ahead with our sweeping Ariake Project corporate transformation. I will continue to pursue growth for us as a company that delivers the joy and happiness of clothing to people worldwide through LifeWear.

Appointed President and CEO in September 1984, and his current position of Chairman, President & CEO in September 2005. Main concurrent positions: Chairman, President & CEO of UNIQLO CO., LTD.; Director & Chairman of G.U. CO., LTD.; Director of LINK THEORY JAPAN CO., LTD.; External Director at Nippon Venture Capital Co., Ltd.



**Toru Hambayashi**

External Director

Independent Director

### Support Growth Based on Strict Evaluations and Sound Frameworks

Tadashi Yanai has a strong sense of morality and is an extremely talented business leader. However, the further Fast Retailing expands its global reach, the more important management transparency becomes. I strictly evaluate this process to ensure we realize corporate growth within a healthy business framework. I will continue to scrutinize internal processes to aid FR in its quest to become the world leader in apparel.

Appointed November 2005. Former President of Nichimen Corp.; Chairman and Representative Director of Sojitz Holdings Corp. (currently Sojitz Corp.); External Director at UNITIKA LTD. and at DAIKYO INCORPORATED, and MAEDA CORP. Currently serving as Advisor to The Association for the Promotion of International Trade, Japan.



**Nobumichi Hattori**

External Director

Independent Director

### A Broad Perspective to Improve Corporate Value

From a management strategy perspective, it is extremely important to objectively judge how capital markets perceive Fast Retailing's corporate value. The role of the Board of Directors as a key collective that evaluates corporate risk and offers advice when necessary is growing in significance every year. It is my job to offer multifaceted suggestions on how best to increase corporate value. I am committed to providing appropriate advice from a broad perspective to contribute to FR growth.

Appointed November 2005. Formerly worked at Goldman Sachs. Currently a research specialist in M&A and corporate value evaluation. Also serves as Visiting Professor at Waseda Graduate School of Business and Finance, and at Keio University Graduate School of Business Administration; External Statutory Auditor at Frontier Management Inc.; External Director at Hakuholdo DY Holdings Inc.





**Masaaki Shintaku**

External Director

Independent Director

## Accelerate Corporate Evolution, Contribute to Growth

Fast Retailing is steadily creating a new digital consumer retailing industry by efficiently investing in revolutionary new distribution and IT systems. We are seeing the benefits of FR's determined nurturing of talented managers who can dynamically drive growth in periods of huge operational change, and it reassures me to see more diverse personnel ready to take on new challenges. The Board of Directors works to accelerate FR's progress and future growth.

Appointed November 2009. Previously Executive Vice President of Oracle Corp. (US) and Chairman of Oracle Corp. (Japan). Currently Counselor of Special Olympics Nippon Foundation and External Director of NTT DOCOMO, INC.



**Takashi Nawa**

External Director

Independent Director

## Champion Sustainability and Diversity

My role is to help FR address ESG issues and challenges more actively. The aim is for FR to be known as a global industry leader in this arena. I believe consistently contributing to a sustainable society improves corporate value. In my comments to the Board, I focus on emphasizing diversity. I want to help FR use its ever-expanding global operations as an opportunity to grow as an even better business.

Appointed November 2012. Previously a director of McKinsey & Company and External Director at DENSO CORPORATION. Currently a professor at the Hitotsubashi University Business School of International Corporate Strategy, President of Genesys Partners, and External Director at NEC Capital Solutions Limited, Ajinomoto Co., Inc., and Sompō Holdings, Inc.



**Naotake Ono**

External Director

Independent Director

## Develop a Broad Management Perspective

When I was in senior management, I expected external directors to voice direct opinions from a broad range of perspectives. Seeing the big picture by following other industries as well as your own is vital to good management. Mr. Yanai is open to new ideas, and I voice frank opinions to ensure management transparency and appropriate risk management. This is how I fulfill my role as external director.

Appointed November 2018. Formerly Director, Senior Managing Executive Officer, Executive Vice President, President & COO of Daiwa House Industry Co., Ltd. Became Special Advisor to Daiwa House in November 2017.



**Takeshi Okazaki**

## On-the-ground Conditions Drive Deep, Practical Debate

My role as Group Senior Executive Officer and CFO is to execute and supervise corporate management. I believe I can guide increasingly deep and practical debate among the Board members by directly conveying the reality on the ground. My job is to steer FR managers, including myself, toward correct management by following the policies determined by the Board and incorporating the perspectives of our customers and other stakeholders.

Appointed November 2018. Worked at the Long-Term Credit Bank of Japan and as a partner at McKinsey & Company. Joined Fast Retailing in August 2011. Main current positions: Director, UNIQLO CO., LTD and G.U. CO. LTD.; Group Senior Executive Officer & CFO, Fast Retailing Co., Ltd.



**Kazumi Yanai**

## Create a Platform to Support Sustainable Corporate Growth

As a member of the founding family, it is my responsibility to take a long-term perspective and work to bolster Fast Retailing's global growth. I want to help create a strong fundamental basis for continued FR growth by upholding our corporate culture, strengthening our governance, and prioritizing our social contributions. As a senior executive officer, my job is to advance our business transformation, and to work together with employees and management teams to create our ideal company.

Appointed November 2018. Joined Fast Retailing in September 2009 after working at Goldman Sachs Group, Inc. and Link Theory Holdings (US) Inc. (currently Theory LLC). Main current positions: Chairman, Theory LLC and UNIQLO USA LLC; Chairman J BRAND HOLDINGS, LLC; Group Senior Executive Officer, Fast Retailing Co., Ltd.



**Koji Yanai**

## Compassionate Management, Stronger Governance

I have acquired a good deal of experience working on FR's global marketing, the Ariake Project, human resources, and other areas. As a senior executive officer, I feel the most important lesson in management is to value your people. As a director and member of the founding family, I want to contribute to FR's continued corporate growth and further strengthen our governance systems.

Appointed in November 2018. Joined Fast Retailing in September 2012 after working at Mitsubishi Corporation's food subsidiary Princes Limited, UK. Currently Assistant General Manager, Global Product Development and Merchandising, UNIQLO CO., LTD., and Group Senior Executive Officer, Fast Retailing Co., Ltd.

## Auditors



**Keiko Kaneko**

External Statutory Auditor

Independent Director

Appointed November 2012. Partner at Anderson Mori & Tomotsune law firm; Statutory Auditor at UNIQLO CO., LTD.; External Statutory Auditor at The Asahi Shimbun Company and at Daifuku Co., Ltd.



**Takao Kashitani**

External Statutory Auditor

Independent Director

Appointed November 2018. Director of Brain Group (Kashitani Accounting Office); President of Brain Core Co., Ltd. and of FP Brain Co., Ltd.; External Director at Japan Freight Railway Company.



**Masakatsu Mori**

External Statutory Auditor

Independent Director

Appointed November 2020. Currently serves as Special Advisor to the International University of Japan and External Director at Stanley Electric Company, Ltd., YAMATO HOLDINGS CO., LTD., and Kirin Holdings Company, Limited.



**Akira Tanaka**

Standing Statutory Auditor

Appointed November 2006. Served as Deputy President of McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan) Ltd.). Formerly Managing Director of Fast Retailing Co., Ltd. Currently Councilor at Special Olympics Nippon Foundation.



**Masaaki Shinjo**

Standing Statutory Auditor

Appointed November 2012. Joined Fast Retailing in February 1994; served as General Manager of Group Auditing. Also served as Statutory Auditor at G.U. CO., LTD., and as General Manager of Sales Support Management Division at UNIQLO CO., LTD.



**Masumi Mizusawa**

Standing Statutory Auditor

Appointed November 2019. Formerly of Yamaichi Securities Co., Ltd. and Kleinwort Benson Securities Research. Joined Fast Retailing in October 2001. Served as General Manager of Investor Relations, Global Corporate Management and Control.





UNIQLO BUSINESS

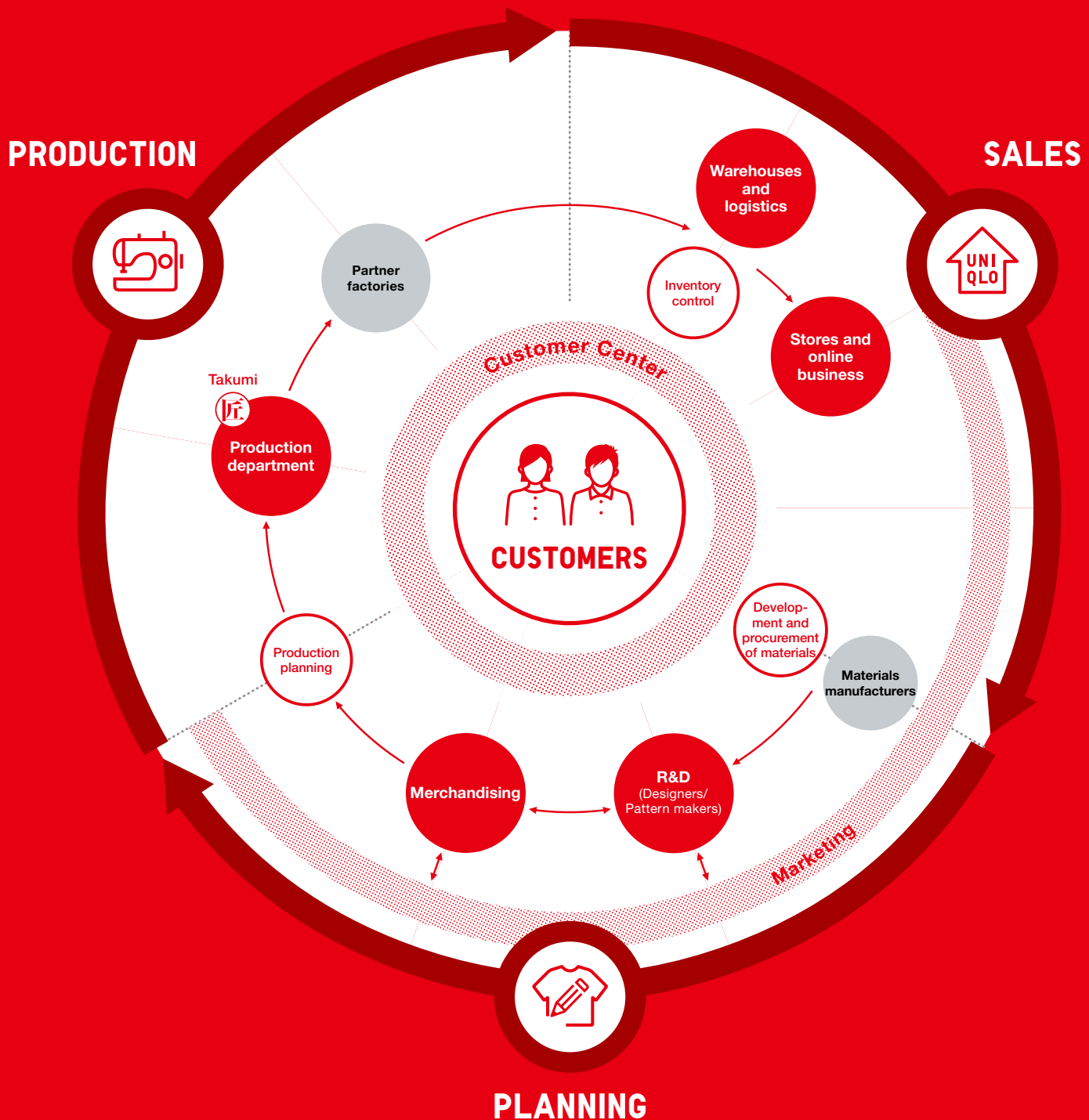
# UNIQLO, Driving LifeWear Innovation

Waterproof, windproof, breathable, and with a durable, water-repellent finish, our BLOCKTECH parka is part of UNIQLO's highly functional outerwear series. Tape applied over the seams and water-blocking fasteners stop rain from getting through. Be comfortable every day.





# The Secret to UNIQLO's Success







## **LifeWear Resonates Worldwide**

UNIQLO's LifeWear is simple, high-quality, everyday clothing with a practical sense of beauty. LifeWear enjoys a wide customer base and broad demand because it appeals to people of all ages. LifeWear creation starts with the customer. By reflecting customer opinions in our products, we are able to perfect the details of our core ranges, achieve a more comfortable fit, and swiftly develop clothes to satisfy new needs and trends. LifeWear is always winning new hearts because it fulfills ever-changing customer needs.



## **World-class Materials and High Quality at Reasonable Prices**

UNIQLO's strength lies in offering reasonably priced clothing made with outstanding materials. We negotiate directly with global producers on long-term, mass orders of superior materials such as cashmere, Supima cotton, and merino wool. That enables us to secure a more favorable supply than our competitors and greatly reduce costs. The high quality of UNIQLO clothing is also underpinned by the strong trust built over many years with our partner factories. Our production department and factories communicate closely so that we can immediately address any quality-related demands from customers and implement improvements.



## **Create New Demand With New Functional Materials**

UNIQLO has worked with synthetic fiber manufacturer Toray Industries to refine various highly functional materials such as our popular thermal HEATTECH garments and our Ultra Light Down jackets made with highly dense material that safely seals the down inside. We have spent years refining and perfecting these functional materials—they have proved very hard for our competitors to copy. Products such as our versatile, cool-feeling AIRISM garments and our BLOCKTECH parkas, with their unique windproof film coating, are the result of ingenuity and imagination. Developing clothes with new functionality changes lifestyles and ignites fresh demand.



## **O2O: Linking E-commerce and Physical Stores**

UNIQLO offers a full range of exclusive online sizes and products to meet diverse customer needs. We seek to meld our physical and e-commerce operations. We encourage customers to collect online orders from nearby stores, or, if an item is out of stock at their local store, to order it online and have it delivered to that store, their home, or another preferred location. Opening new stores in better locations through our scrap and build policy will help us efficiently manage this online-to-offline (O2O) business. For a brand like UNIQLO with a strong store network, expanding O2O is a great way to fuel additional growth.



## PLANNING

START

► PRODUCT CONCEPT

► SELECT AND PROCURE MATERIALS

► DESIGN SAMPLES

A product planning meeting at our Ariake headquarters

### Research & Development (Designers/Pattern Makers)

UNIQLO's R&D centers constantly research the latest in new materials and global fashions in addition to developing products to satisfy customer needs. Identifying entirely new needs is also an important part of the R&D job.

One year before a product's intended launch, the R&D department holds a concept meeting with representatives from the merchandising, marketing, and materials development teams to determine the right design concept for each season. Designers then prepare designs and refine samples. Even after a design is decided, its color and silhouette can be refined multiple times before the final design is approved.

### Merchandising

Merchandisers play a vital role in the product creation process, from design through production. They communicate closely with all departments before determining the designs and materials required for each season's products. Merchandisers also decide how to market our strategic product launches in close cooperation with the appropriate departments. Deciding product lineups and volumes throughout the year is another important part of their role.

Many UNIQLO products are manufactured in huge batches of approximately one million units. Closely monitoring sales levels and adjusting production volumes during a single season is another key role of the merchandising department.

### Development and Procurement of Materials

UNIQLO can secure stable, high-volume supplies of top-quality materials at low cost by negotiating directly with materials manufacturers worldwide and placing large-volume orders to achieve the most favorable terms.

The materials used for our core items are particularly important. Our in-depth research and experimentation generates improvements in the functionality, feel, silhouette, and texture of our clothes. For example, we work closely with Kaihara Corporation to source denim to specific spinning standards and dyeing specifications. We also partner with Toray Industries, a world-leading synthetic fiber manufacturer, to create innovative new fiber and materials, such as HEATTECH.

## Production Network

UNIQLO does not own any factories. We outsource all production to partner factories, many of which are in China. We have built strong relationships of trust with our partner factories over many years, and hold annual conventions to promote dialogue with factory managers. We monitor working and environmental conditions at textile manufacturers and major fabric suppliers to ensure products are being manufactured correctly. We help factories implement improvements when needed. Maintaining a win-win relationship with partner factories ensures the production of high-quality products.

As UNIQLO expands globally, we have also formed business relationships with partner factories in other countries, including Vietnam, Bangladesh, Indonesia, and India.

## Production Department

UNIQLO currently has production team staff and textile takumi (skilled artisans) in Shanghai, Ho Chi Minh City, Dhaka, Jakarta, Istanbul, and Bengaluru. Production teams tasked with monitoring production processes and resolving quality and management challenges visit partner factories each week. The production department also swiftly addresses any quality-related concerns voiced by customers and implements improvements if required.

### ■ UNIQLO Production Offices



## UNIQLO Takumi Teams

“By offering instruction on dyeing technology at UNIQLO’s partner factories, I can encourage workers to embrace a new production management philosophy and improve the factories they work in. Our cultures may be different, but our aim is the same—to make truly good products. I am proud to be passing on expert Japanese techniques to the next generation of technicians.”



**Dyer Takumi**  
**Kazuaki Iida**



► FINALIZE DESIGNS

► SET PRODUCTION VOLUMES

► START PRODUCTION



## PRODUCTION



Knitwear production line at a UNIQLO partner factory





**SALES**



UNIQLO Ambience Mall, Vasant Kunj store (India)

► SHIP TO INDIVIDUAL COUNTRIES

► AIR TV COMMERCIALS

► START ADDITIONAL PRODUCTION

## Inventory Control

The inventory control department maintains the optimum level of store inventory. It does this by monitoring sales and stock on a weekly basis, and then dispatching necessary inventory and new products to fulfill orders.

At the end of each season, merchandisers and the marketing department work together to coordinate the timing of any price changes to help ensure that inventory sells out.

## Marketing

Each season, UNIQLO conducts promotional campaigns for core products such as HEATTECH, Ultra Light Down, AIRism, and Bratops. During the campaigns, UNIQLO advertises the products' unique qualities and noteworthy features on TV and in other media. In Japan, we use email, social media, and flyers delivered with national newspapers to notify customers about limited-period discounts, typically of 20% to 30%, on new seasonal ranges.

## Stores

UNIQLO Japan had 813 stores (including 46 franchise stores) at the end of August 2020. UNIQLO International expanded to 1,439 stores, including 866 in Greater China (Mainland China, Hong Kong, and Taiwan), 163 in South Korea, 248 in Southeast Asia & Oceania, 100 in Europe, and 62 in North America. We have been accelerating new store openings primarily in Greater China and Southeast Asia.



Promotional flyer



TV commercial



UNIQLO roadside store

## E-commerce

The importance of our e-commerce operation is growing as more customers enjoy shopping both online and in stores. In FY2020, online sales accounted for approximately 15% of total sales. Geographically, online sales accounted for roughly 13% of total sales in Japan, 20% in Greater China, 10% in Southeast Asia & Oceania, 20% in Europe, and 40% in North America. Going forward, we will further expand complementary online and offline services, and target 30% annual growth in online sales.

## Customer Center

Our customer center analyzes huge volumes of requests and comments from customers, a vital part of improving our clothing ranges and developing new products. For instance, in FY2020, we received many requests from customers in the wake of COVID-19 to create a face mask made from highly functional AIRism material. Going forward, the customer center will further improve its collection and analysis of customer opinions, and strengthen communication links with the production and planning departments.



► IN-STORE SALES AND E-COMMERCE

CUSTOMERS



Photos left and right:  
UNIQLO Kungsträdgården store (Sweden)



UNIQLO GLOBAL PRESENCE

UNI  
QLO

Global Total

2,306

STORES

(As of December 31, 2020)



STOCKHOLM

# Expand LifeWear Globally for Everyone to Enjoy

NEW DELHI



PARIS







SHANGHAI



CHICAGO



TOKYO



# Rapid Rebound: Further Growth for Greater China

## MAINLAND CHINA



UNIQLO Taikoo Li Sanlitun store



## Ning Pan

CEO, UNIQLO Greater China  
 Group Senior Executive Officer, Fast Retailing Co., Ltd.

Greater China (Mainland China, Hong Kong, and Taiwan) revenue and profit declined in FY2020 due to COVID-19, but the market recovered strongly after the virus was brought under control. The FR Group's CEO, Mr. Yanai, always says we should turn adversity into opportunity, so after sharing those words with our store staff, we strengthened our customer service and sent a strong message of support through donations of warm clothing and other social initiatives.

The global economy will face multiple uncertainties going forward, but I believe demand will continue to expand in Greater China. Growth potential is rising thanks to an expanding middle-income population with a strong desire to purchase new apparel. As UNIQLO already enjoys strong support as a provider of essential daily goods, this presents a great opportunity to expand our business. The popularity of UNIQLO's LifeWear will increase because it enhances the comfort of days spent at home, even in the age of the coronavirus.

We continue to expand our online-to-offline (O2O) services to meld our physical store and e-commerce network. For instance, customers can choose to pick up their online purchases at a nearby UNIQLO store. Alternatively, if a store does not have the product a visiting customer wants, in-store staff will help purchase the desired item online and decide the best delivery method. This two-way service helps boost sales. Going forward, I will address various challenges

to ensure shopping with us is enjoyable for our customers. I also want to further expand e-commerce from the current 20% of total sales. We will continue opening new stores in what China unofficially calls its "Tier 1" cities (Beijing, Shanghai, Guangzhou, and Shenzhen) while also aggressively opening stores in "Tier 2" cities such as Hangzhou, Nanjing, Wuhan, Zhengzhou, Xi'an, Chengdu, and Chongqing where purchasing power is expected to rise.

Greater China generated sales of ¥455.9 billion in FY2020. I want to double this performance to achieve sales of ¥1 trillion in the near future. Our aim is to consolidate UNIQLO's position as the number one apparel brand in Greater China and help it become a number one brand globally as well. All Greater China stores will join forces to continue offering LifeWear that delights our customers.



# VIETNAM



UNIQLO Dong Khoi store (first store in Vietnam)



# A Strong Start in Promising Vietnam

Having opened its first store in Ho Chi Minh City in December 2019, UNIQLO Vietnam currently boasts three stores in Ho Chi Minh City and three in Hanoi. UNIQLO's extremely high brand visibility in Vietnam is attracting far more customers than originally predicted.

UNIQLO South, Southeast Asia & Oceania (Southeast Asia, India, and Australia) reported large revenue and profit declines in FY2020 due to COVID-19, but Vietnam turned a profit in the second half (March to August) after seeing a high level of customer support for the UNIQLO brand.

We have many young customers in Vietnam who are extremely interested in fashion and health, and consequently focus on clothes that offer functionality and fashionability. Local consumers trust the superior materials, high quality, and high functionality of UNIQLO's LifeWear, with AIRism, UV-cut parkas, HEATTECH, and Ultra Light Down ranges proving especially popular. Our strong start in Vietnam was underpinned by strategic planning based on early research into local market characteristics. We also focused on employee training, teaching new store managers about UNIQLO's corporate DNA during sessions in Japan and Singapore, which contributed greatly to the successful launch.

Vietnam harbors great potential as one of the key developing markets in Asia. To harness that potential, we must enhance our product ranges to suit the local climate and focus on human resource training to facilitate the steady opening of new stores. At the same time, we must strengthen Vietnam's role as a production base for UNIQLO. Our aim is to create opportunities for talented, hard-working people by building a robust supply chain and developing local operations, something we hope will also contribute to the country's overall economic development.





**JAPAN**

UNIQLO TOKYO global flagship store

# Strong Localized Stores Recharge UNIQLO Japan

To date, UNIQLO has expanded high-profitability operations through chain-store management, but that has limitations when it comes to understanding local customer needs and furnishing product lineups and services that meet those needs. Since becoming the UNIQLO Japan CEO, I have focused on strengthening our local store management strategy, which affords each individual store greater significance and autonomy.

We opened three unique stores in 2020 to help refine our UNIQLO branding. The UNIQLO PARK Yokohama Bayside store, which opened in the

Yokohama Bay area in April, boasts a sloping roof park with access to each floor. Families can enjoy leisurely shopping mixed with time in the park: a space for active fun that can nurture an appreciation for good clothing. Our UNIQLO Harajuku store, which opened in June opposite the new-look JR Harajuku Station, serves as a base for conveying a unique style of pop culture that fuses the best elements of our physical stores and online operations. The store houses one of the world's largest dedicated UT printed T-shirt sales spaces and attracts customers of all ages.



Also opened in June 2020, UNIQLO TOKYO is Japan's largest global flagship store spanning approximately 5,000 square meters over four floors (1F-4F) in the Maronnier Gate Ginza 2 building in Yurakucho. The store features a stunning atrium space, designed by Swiss architectural firm Herzog & de Meuron, that soars up through all four floors. The basic concept is "beautifying the world from Tokyo." The focus is on letting customers experience LifeWear, and telling stories about how great UNIQLO products are, from craft skills and lifestyle concepts to the careful selection and development of materials.

These three new stores will have a positive impact on existing regular and large-format stores, because we can pass on successful strategies for attracting customers, product presentation, and in-store displays. By adding fresh appeal to UNIQLO's existing strengths, all our stores can develop into truly essential local community hubs. I believe strengthening local store management will prove to be a key driver of further growth.



### **Maki Akaida**

CEO, UNIQLO Co., Ltd.  
Group Executive Officer, Fast Retailing Co., Ltd.



UNIQLO PARK Yokohama Bayside store



UNIQLO Harajuku store

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TOPIC **01** | For Sports and Everyday Life

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# SPORT UTILITY WEAR

Sport Utility Wear is a new concept from UNIQLO. A combination of functionality and design provides seamless versatility. Sport Utility Wear offers the right functionality for running before or after work, working out at the gym, doing yoga, and many other activities. Its attractive designs are also great for everyday wear.

Top athletes trust our DRY-EX material, which quickly dries perspiration, making it easier to stay active. Our ultra stretch active shorts are elastic in all directions and have a soft, light feel.

Sport Utility Wear includes items that can be used in various day-to-day situations. Our compact and portable pocketable UV protection parka guards against UV rays and keeps light rain at bay with its durable water-repellent properties. Meanwhile, our stylish ultra stretch dry sweat long-sleeve hoodie can be worn as activewear or streetwear. UNIQLO Sport Utility Wear helps people everywhere live healthy, radiant everyday lives.







## TOPIC 02

## +J Returns, Defining a Global Modern Uniform



Eleven years after our first joint collection, legendary fashion designer Jil Sander has brought her modern style back to UNIQLO in 2020. The long-awaited 2020 Fall Winter +J collection features high-quality tailoring with sculpted designs that offer both beautiful balance and comfortable fit. Inspired by her belief that clothes should be long lasting and have an enduring appeal, Jil Sander has created a collection that could serve as a global modern uniform.

“I believe the role people expect clothes to play in today’s era is to boost the energy and confidence of all who wear them,” explains Ms. Sander.

The 2020 +J collection consists of versatile items that reflect UNIQLO and Jil Sander’s joint respect for timeless design. +J’s distinctive lines are perfect for the current times, creating flowing motion and rich, three-dimensional silhouettes. By focusing on material weave and surface processing, and by pursuing ultimate comfort, the joint collection has been successful in its quest to create sophisticated, essential clothing for all.



Jil Sander @Peter Lindbergh

### Jil Sander

Ms. Jil Sander founded the Jil Sander brand in 1968. She has participated in the Milan Fashion Week since the 1980s, and achieved international success with her forward-thinking designs. In 2009, she released the acclaimed +J collection with UNIQLO based on an “Open the Future” clothing concept. After wrapping up in 2011, the sorely missed collection has returned in 2020.

\*+J is a joint collection between UNIQLO and designer Ms. Jil Sander, and has no affiliation to the Jil Sander brand.





GU BUSINESS





# Refining Our Approach to Low-priced Fashion

GU reported higher revenue but lower profit in FY2020 as COVID-19 forced temporary store closures. Revenue rose 3.1% to ¥246.0 billion and operating profit declined 22.5% to ¥21.8 billion. Some people considered fashion to be nonessential during these times, but I got the opposite impression. E-commerce sales doubled year on year during Japan's COVID-induced state of emergency period from March to May 2020, and same-store sales recovered by a larger-than-expected 16.4% in June once stores reopened for business. Sales of on-trend fashion items were uniformly strong, with trendy comfortable clothing such as our loose-fitting chef's pants and loose-waisted dresses selling well.

In addition, with people spending more time at home, popular items included pajamas, loungewear, and other apparel strategically priced as low as ¥990. We offered more seasonal products in 2020 Fall Winter that could be worn for longer by adapting the way they were styled, hoping to satisfy the needs of customers who wanted to enjoy fashion without spending much money. Being able to keep an outfit for longer and wear it in many different situations is easy not only on the wallet but also on the environment. I want to ensure GU responds properly to today's demands for a more sustainable society.

We unveiled our Three Connections Declaration to help us create great clothes and a great future in which we connect with consumers, producers, and the Earth. First, we will listen to consumers' opinions, exploring what they want in order to develop clothes that combine GU fashion and practicality. Second, by finding solutions with partner factories that result in fresh technological innovation, we will produce new high-quality products at pleasing prices. And third, by accurately understanding demand and thinking creatively about production, distribution, and retail, we will create a leaner supply chain. We will also introduce more environmentally conscious materials and



## Osamu Yunoki

CEO, G.U. CO., LTD.  
Group Senior Executive Officer, Fast Retailing Co., Ltd.

promote recycling for a more sustainable business.

The importance of online sales continues to grow, but, after witnessing the smiling customers entering our stores once they reopened, I feel sure people will never stop enjoying shopping in physical stores. It is important to boost the respective benefits of in-store and online shopping and to gradually fuse those operations. We are expanding “click and collect” and other services, and opening new stores that can generate potential e-commerce synergies.

My belief that fashion is indestructible, whatever the circumstances, has not wavered. Harnessing our Your Freedom concept, which emphasizes freedom of expression through clothing, and our distinct Japanese identity, GU will keep delivering the clothes that customers truly need.

OUR GLOBAL BRANDS



Theory



## Theory

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## Theory

### Consistently Elegant Contemporary Fashion

Launched in New York in 1997, Theory is a contemporary fashion brand for the modern consumer. The brand's acclaimed comfort and unfailingly elegant style stem from its perfectly fitting designs and superior materials. The Theory luxe brand, meanwhile, offers true, relaxed comfort. At the end of August 2020, Theory boasted 460 stores.

## PLST

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P L S T

### Top-quality Clothing for Comfortable Everyday Life

The PLST brand offers everyday clothes of superlative quality made with careful attention to fabric, texture, and style to suit any occasion. PLST is popular with fashion-sensitive consumers of all ages who like the brand's reasonable prices and versatile designs.

## Princesse tam.tam

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PRINCESSE tam•tam  
PARIS

### A Graceful French Brand That Celebrates You

Princesse tam.tam (PTT) is a French brand renowned for its original prints and bright colors. The PTT brand concept of "lingerie that lets your own personality shine through" resonates with many women. PTT boasts a wide range of lines spanning lingerie, loungewear, swimwear, and sportswear.



## Comptoir des Cotonniers

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COMPTOIR DES  
COTONNIERS

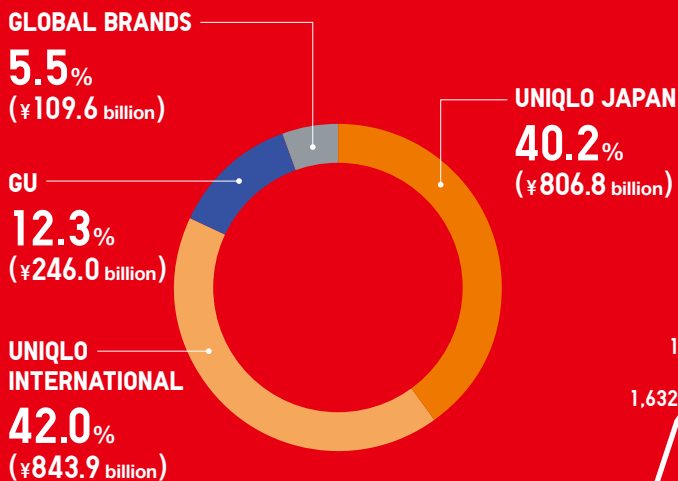
### The Ideal Wardrobe Full of French Esprit

Founded in 1995 in France, Comptoir des Cotonniers (CDC) is an affordable luxury brand loved by countless women. Nathalie Marchal joined CDC as creative director from the 2020 Spring Summer season after a long career as editor and stylist at fashion magazines such as Vogue. She is now transforming CDC into an even more appealing brand.

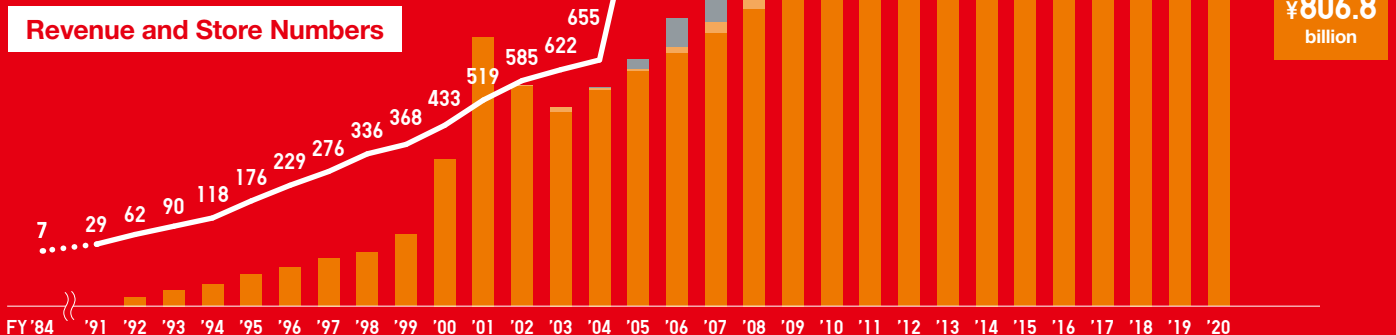
# SNAPSHOT

- Consolidated revenue totaled ¥2.0088 trillion (–12.3% year on year), operating profit totaled ¥149.3 billion (–42.0%). Business greatly impacted by temporary store closures and voluntary worldwide stay-at-home practices in the face of COVID-19.
- E-commerce sales rose considerably (UNIQLO Japan rose approx. 30%, UNIQLO International rose approx. 20%, and GU rose approx. 60%).
- Sharp decline in UNIQLO International full-year revenue and profit but UNIQLO Greater China performance started to recover from June onwards.
- While UNIQLO Japan full-year revenue declined, sales recovered sharply from June, helping the segment record a full-year profit gain.
- GU revenue rose but profit fell. Strong profit rise in the first half was followed by sharp profit decline in the second half.

Sales by Business Segment



Revenue and Store Numbers



\*GU was reported under the Global Brands business segment through FY2016. In FY2017, we began disclosing GU performance as a separate independent business segment.

## UNIQLO JAPAN

### FY2020 Results

Revenue ¥806.8 billion  YoY - 7.6%

Operating profit ¥104.6 billion  YoY + 2.2%

### Future Outlook

- ▶ Develop products to suit changing customer lifestyles, build more attractive shopping environments for customers, and further increase sales by expanding services that unify physical store and e-commerce operations.
- ▶ Pursue Ariake Project and 15% operating profit margin. Raise profitability: increase accuracy of demand forecasts and sales plans, minimize shortages of strong-selling items, and prevent excess inventory. Reform entire chain: timely production increases, efficient distribution and store management.

## UNIQLO INTERNATIONAL

### FY2020 Results

Revenue ¥843.9 billion  YoY -17.7%

Operating profit ¥50.2 billion  YoY -63.8%

### Future Outlook

- ▶ Greater China and Southeast Asia & Oceania (Southeast Asia, India, and Australia) to continue driving segment growth thanks to extremely strong brand positioning in those markets. Plan to open 100 stores in Greater China and 40 stores in Southeast Asia & Oceania each year.
- ▶ Foster deeper empathy for our LifeWear concept by compiling product mixes that satisfy local customer needs in different parts of the world, and build a network of better-located, more profitable stores.

## GU

### FY2020 Results

Revenue ¥246.0 billion  YoY + 3.1%

Operating profit ¥21.8 billion  YoY -22.5%

### Future Outlook

- ▶ Strengthen GU's unique ability to offer fun fashion at amazingly low prices. Focus on developing mass-trend fashion products and reduce lead times by strengthening our development, concentrated buying and stockpiling of raw materials so we can expand our range of low-priced items.
- ▶ As part of the Ariake Project, we will strengthen supply-chain functions to help grasp and analyze fashion trends early and reflect them in product design and volume planning.

## GLOBAL BRANDS

### FY2020 Results

Revenue ¥109.6 billion  YoY -26.9%

Operating profit ¥-12.7 billion  YoY — %

### Future Outlook

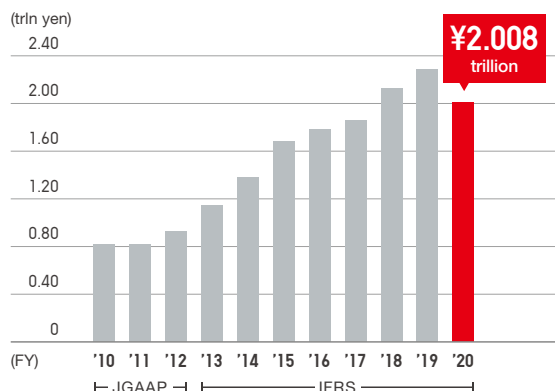
- ▶ Aim to achieve stable growth for our Theory operation by expanding product ranges that stay abreast of changing customer lifestyles.
- ▶ Seek to expand PLST operation in Japan as a reasonably-priced brand.
- ▶ Aim to improve profitability by implementing structural reforms at Comptoir des Cotonniers and Princesse tam.tam operations.



# FY2020 FINANCIAL OVERVIEW

## Revenue

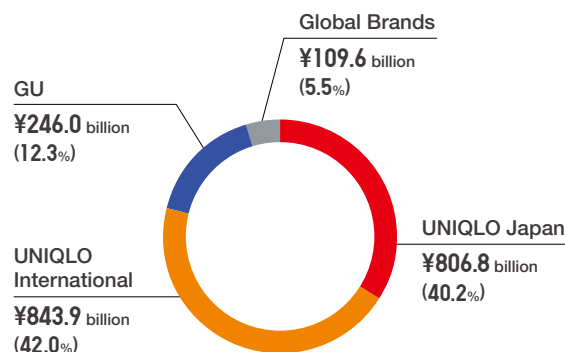
**¥2.008 trillion** **-12.3%**



Consolidated revenue fell 12.3% year on year to ¥2.008 trillion. This large decline was due to the temporary closure of stores worldwide and many consumers staying at home in the face of COVID-19. However, sales started to recover from June primarily in Japan and Greater China.

## UNIQLO International's Contribution to Revenue

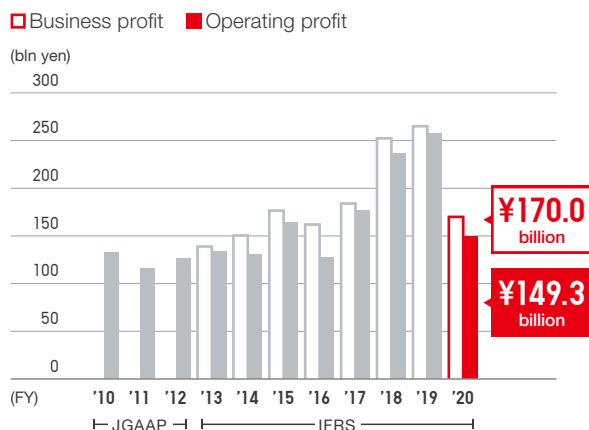
**42.0%** **-2.9pt**



UNIQLO International's contribution to total revenue declined by 2.9 points to 42.0%, primarily due to heavy falls in sales in the segment's large-scale markets of Greater China and South Korea.

## Operating Profit

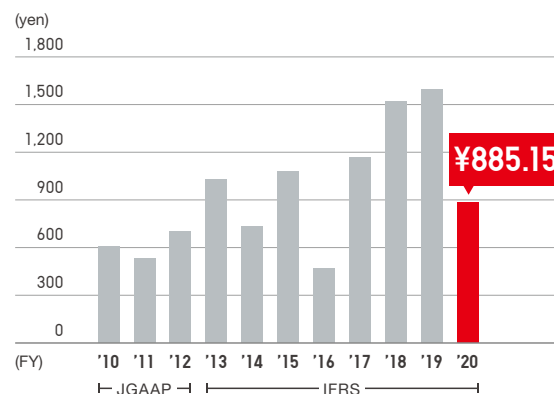
**¥149.3 billion** **-42.0%**



Declined by a sharp 42.0% year on year to ¥149.3 billion due partly to COVID-19 but also to the recording of a ¥23.0 billion impairment loss on stores, mainly at UNIQLO International.

## Earnings per Share

**¥885.15** **-44.4%**

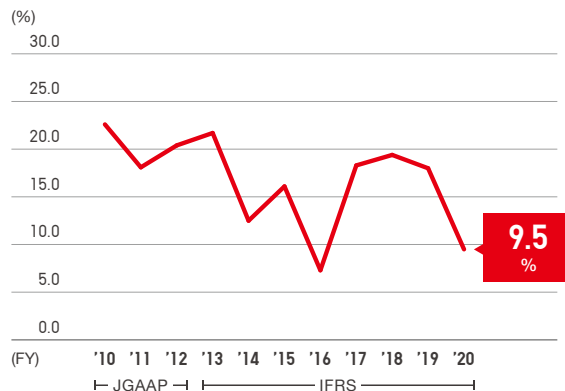


Our basic earnings per share (EPS) declined by 44.4% year on year to ¥885.15 in FY2020 on the back of the large decline in operating profit.

## ROE

9.5%

-8.5pt

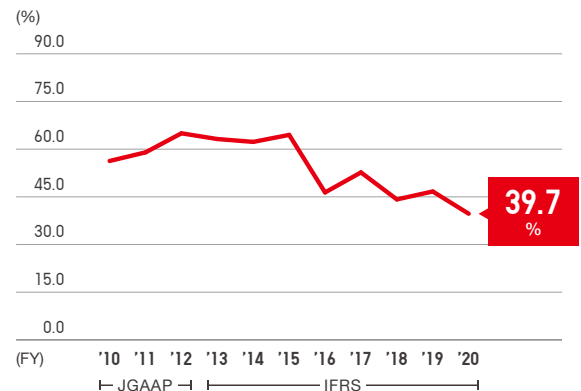


ROE declined 8.5 points to 9.5% following a large decline in profit with profit attributable to owners of the Parent falling 44.4% year on year.

## Ratio of Equity Attributable to Owners of the Parent to Total Assets

39.7%

-7.0pt

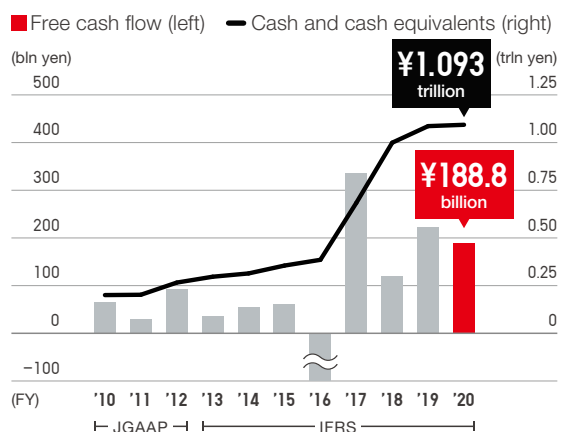


Decreased by 7.0 points to 39.7%. Having adopted IFRS 16 accounting standards, we recorded right-of-use assets on the balance sheet, resulting in a ¥399.9 billion increase in total assets and a decline in the ratio.

## Cash and Cash Equivalents

¥1.093 trillion

+0.6%



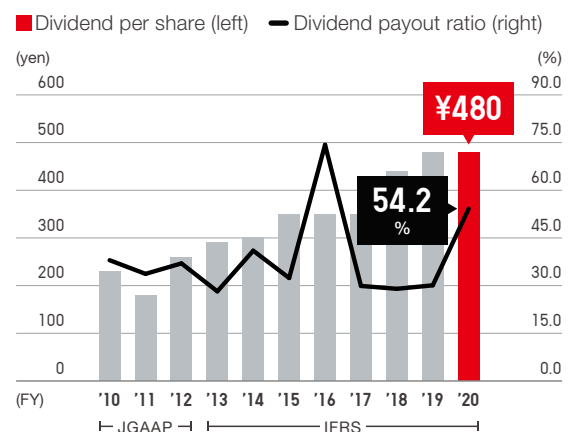
Cash and cash equivalents totaled ¥1.093 trillion. Free cash flow (FCF) totaled ¥188.8 billion (¥264.8 billion generated by operating activities minus ¥75.9 billion used in investing activities). Cash spent on financial activities totaled ¥183.2 billion.

\*The negative FCF in FY2016 included a ¥186.5 billion investment in deposits with over three-month maturities.

## Dividend per Share

¥480

±0



The dividend per share stood at ¥480. While profit attributable to owners of the Parent declined sharply, we offered the same dividend as FY2019 after considering our medium-to-long term business growth potential and current cash flow situation. The dividend payout ratio was 54.2%.

\*The high FY2016 dividend payout ratio was caused by yen appreciation, which resulted in the recording of minus ¥37.0 billion under finance income net of costs and a sharp decline in EPS.

# FINANCIAL INFORMATION

## FINANCIAL SUMMARY

FAST RETAILING CO., LTD. and consolidated subsidiaries  
Fiscal years ended August 31

Millions of yen

	JGAAP			
	2011	2012	2013	2014
<b>For the year</b>				
Net sales/Revenue	¥ 820,349	¥ 928,669	¥1,142,971	¥1,382,935
Operating income/Operating profit	116,365	126,450	134,101	130,402
EBITDA*1	141,716	150,687	157,708	161,210
Income before income taxes and minority interests/ Profit before income taxes	93,881	123,390	155,732	135,470
Net income/Profit attributable to owners of the Parent	54,354	71,654	104,595	74,546
Net cash generated by operating activities	57,158	127,643	99,474	110,595
Net cash (used in)/generated by investing activities	(26,643)	(35,313)	(62,584)	(56,323)
Free cash flow*2	30,515	92,330	36,890	54,272
Net cash (used in)/generated by financing activities	(26,156)	(29,056)	(24,226)	(44,060)
Cash and cash equivalents*3	202,104	266,020	296,708	314,049
Depreciation and amortization	18,755	18,573	23,607	30,808
Capital expenditures	33,993	40,184	39,681	58,814
<b>At year-end</b>				
Total assets	¥ 533,777	¥ 595,102	¥ 901,208	¥ 992,307
Total net assets/Total equity	319,911	394,892	589,726	636,041
Interest-bearing debt	28,263	23,194	37,259	37,561
<b>Reference indices</b>				
Operating income margin/Operating profit margin (%)	14.2%	13.6%	11.7%	9.4%
ROE/Ratio of profit to equity attributable to owners of the Parent (%)	18.1	20.4	21.7	12.5
Equity ratio/Ratio of equity attributable to owners of the Parent to total assets (%)	59.0	65.0	63.3	62.3
Debt-equity ratio (%)	9.0	6.0	6.5	6.1
Dividend payout ratio (%)	33.7	37.0	28.2	41.0
<b>Per share data (actual yen, dollar amount)</b>				
Net income/Profit attributable to owners of the Parent (EPS)	¥ 533.93	¥ 703.62	¥ 1,026.68	¥ 731.51
Net assets/Equity attributable to owners of the Parent	3,091.17	3,797.04	5,598.12	6,067.40
Cash dividends	180.00	260.00	290.00	300.00
<b>Other data (at fiscal year-end)</b>				
Number of shares outstanding	106,073,656	106,073,656	106,073,656	106,073,656
Market capitalization (¥ billion, \$ million)*4	¥ 1,535.9	¥ 1,938.0	¥ 3,383.7	¥ 3,452.6
Number of subsidiaries	98	91	102	112
Total number of stores	2,088	2,222	2,449	2,753
Total sales floor space (m <sup>2</sup> )*5	938,896	1,170,353	1,387,367	1,835,095
Number of full-time employees*6	14,612	18,854	23,982	30,448

\*1 EBITDA (JGAAP) = Operating income + Depreciation and amortization + Amortization of goodwill

EBITDA (IFRS) = Operating profit + Depreciation and amortization. Depreciation and amortization of right-of-use assets has been included in the depreciation and amortization total from the year ending August 31, 2020 following the application of IFRS 16.

\*2 Free cash flow = Net cash generated by operating activities + Net cash (used in)/generated by investing activities



Millions of yen

Thousands of  
U.S. dollars\*4

IFRS								
	2015	2016	2017	2018	2019	2020	YoY	2020
	¥1,681,781	¥1,786,473	¥1,861,917	¥2,130,060	¥2,290,548	¥2,008,846	(12.3)%	\$19,061,069
	164,463	127,292	176,414	236,212	257,636	149,347	(42.0)	1,417,091
	202,221	164,089	216,102	281,267	306,112	327,195	+6.9	3,104,618
	180,676	90,237	193,398	242,678	252,447	152,868	(39.4)	1,450,501
	110,027	48,052	119,280	154,811	162,578	90,357	(44.4)	857,366
	134,931	98,755	212,168	176,403	300,505	264,868	(11.9)	2,513,220
	(73,145)	(245,939)	122,790	(57,180)	(78,756)	(75,981)	(3.5)	(720,952)
	61,786	(147,184)	334,958	119,223	221,748	188,887	(14.8)	1,792,268
	(41,784)	201,428	(50,836)	198,217	(102,429)	(183,268)	+78.9	(1,738,959)
	355,212	385,431	683,802	999,697	1,086,519	1,093,531	+0.6	10,376,046
	37,758	36,797	39,688	45,055	48,476	177,848	+266.9	1,687,527
	62,461	52,387	59,755	69,380	85,201	82,736	(2.9)	785,050
	¥1,163,706	¥1,238,119	¥1,388,486	¥1,953,466	¥2,010,558	¥2,411,990	+20.0%	\$22,886,335
	774,804	597,661	762,043	902,777	983,534	996,079	+1.3	9,451,370
	38,035	283,465	281,512	544,502	513,405	484,496	(5.6)	4,597,175
	9.8%	7.1%	9.5%	11.1%	11.2%	7.4%	(3.8) pts.	7.4%
	16.1	7.3	18.3	19.4	18.0	9.5	(8.5)	9.5
	64.5	46.4	52.7	44.2	46.7	39.7	(7.0)	39.7
	5.1	49.3	38.5	63.1	54.7	51.0	(3.7)	51.0
	32.4	74.3	29.9	29.0	30.1	54.2	+24.1	54.2
	¥ 1,079.42	¥ 471.31	¥ 1,169.70	¥ 1,517.71	¥ 1,593.20	¥ 885.15	(44.4)%	\$ 8.40
	7,366.07	5,634.35	7,175.35	8,458.52	9,196.61	9,368.83	+1.9	88.90
	350.00	350.00	350.00	440.00	480.00	480.00	—	4.55
	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	—	106,073,656
	¥ 5,225.7	¥ 3,854.7	¥ 3,338.1	¥ 5,495.6	¥ 6,602.0	¥ 6,712.3	+1.7%	\$ 63,690
	119	120	121	130	133	134	+1	134
	2,978	3,160	3,294	3,445	3,589	3,630	+41	3,630
	2,030,031	2,188,688	2,392,618	2,671,629	2,881,485	3,047,360	+165,875	3,047,360
	41,646	43,639	44,424	52,839	56,523	57,727	+1,204	57,727

\*3 Cash and cash equivalents = cash and bank deposits + term deposits of less than 3 months + securities

\*4 Calculations are based on the closing share price of ¥63,280 at the end of August 2020 and an exchange rate of ¥105.39 to US \$1.

\*5 Total sales floor space includes only directly operated stores.

\*6 The total number of employees does not include operating officers, junior employees, part-time workers, or temporary staff seconded from other companies.



## Accelerate Ariake Project, Expand Operations, Maintain Financial Soundness

### Takeshi Okazaki

Director  
Group Senior Executive Officer and CFO  
Fast Retailing Co., Ltd.

### Business Performance Review and Outlook

The new COVID-19 pandemic that ravaged the globe in FY2020 also greatly impacted Fast Retailing Group performance. Many stores in different parts of the world had no choice but to temporarily close their doors or shorten opening hours between February and June in the face of stay-at-home practices and restricted activities. Performance during that period worsened rapidly, resulting a 12.3% year-on-year decline in FY2020 consolidated revenue to ¥2.0088 trillion and a 42.0% drop in operating profit to ¥149.3 billion. That overall worsening was caused primarily by large declines in revenue and profit at

UNIQLO International, which reported revenue of ¥843.9 billion (-17.7%) and operating profit of ¥50.2 billion (-63.8%). Within that segment, the United States and Europe both reported losses after being especially hard hit by COVID-19. The United States loss was further bloated by the recording of impairment losses. In contrast, while Greater China and Southeast Asia saw profits plummet, performance recovered at a faster pace than expected from June onwards. UNIQLO Japan and GU were also hit hard by COVID-19, with UNIQLO Japan revenue totaling ¥806.8 billion (-7.6%) and operating profit ¥104.6 billion (+2.2%) and GU revenue totaling ¥246.0 billion (+3.1%) and operating profit ¥21.8 billion (-22.5%). However, sales

### ■ Performance by Group Operation

(FY)		2019			2020		
		Billions of yen	YoY change Billions of yen	% change	Billions of yen	YoY change Billions of yen	% change
UNIQLO Japan	Revenue	¥ 872.9	¥ 8.1	+0.9	¥806.8	¥ (66.0)	(7.6)
	Operating profit	102.4	(16.5)	(13.9)	104.6	+2.2	+2.2
UNIQLO International	Revenue	1,026.0	+129.7	+14.5	843.9	(182.0)	(17.7)
	Operating profit	138.9	+20.0	+16.8	50.2	(88.6)	(63.8)
GU	Revenue	238.7	+26.9	+12.7	246.0	+7.3	+3.1
	Operating profit	28.1	+16.3	+139.2	21.8	(6.3)	(22.5)
Global Brands*	Revenue	149.9	(4.5)	(2.9)	109.6	(40.3)	(26.9)
	Operating profit	3.6	+7.8	—	(12.7)	(16.4)	—

\*Global Brands includes Theory, PLST, Comptoir des Cotonniers, Princesse tam.tam, and J Brand.

Note: Consolidated revenue also includes items reported by Fast Retailing Co., Ltd., the Parent company, such as real estate leasing.

Consolidated operating profit includes Fast Retailing operating profit.

recovered strongly from June onwards, enabling us to minimize the impact of the pandemic on performance.

Regarding FY2021, we forecast a higher-than-expected increase in first-half profit even on a consolidated basis thanks to continued strong performances from operations less affected by COVID-19, such as UNIQLO Japan and UNIQLO Greater China. We also forecast large second-half revenue and profit gains on the premise that COVID-19 will be steadily brought under control. Our business estimates could change considerably due to difficulties with envisaging the future COVID-19 situation. At this point, we expect full-year consolidated revenue of ¥2.2000 trillion (+9.5%), operating profit of ¥245.0 billion (+64.0%), profit before income taxes of ¥245.0 billion (+60.3%), profit attributable to owners of the Parent of ¥165.0 billion (+82.6%), net earnings per share (EPS) of ¥1,616.05, and a steady dividend of ¥480 per share (¥240 interim and year-end dividends).

### Forge Ahead With Operational Reform Through Aggressive Management, Pave the Way for Future Growth

To achieve our Group's medium-term vision as a digital consumer retailing company to become the world's No.1 apparel retailer, we have identified four core medium-term growth strategies that we are currently striving to achieve: 1) Create and expand new clothing demand based on our LifeWear concept, 2) Advance as a passionately customer-centric company that maximizes the power of digital tools (Ariake Project), 3) Expand branding and individual operations worldwide, and establish overwhelmingly competitive operational bases, especially in Asia, and 4) Reform operations to help realize a sustainable society.

The COVID-19 pandemic has proved an ordeal for Fast

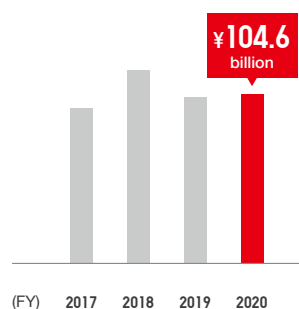
Retailing operations, forcing us to suddenly close store doors on a large scale and adversely impacting near-term performance. However, lifestyle changes sparked by COVID-19 are also rapidly accelerating the environmental changes Fast Retailing had assumed in its medium-term growth strategy, in a positive sense. Now is the time to aggressively pursue our medium-term growth strategy to help ensure dramatic post-COVID growth. We are currently working hard to further improve the quality of LifeWear, boost global branding investment, unify our e-commerce and physical store networks, and channel investment into IT and automation to create a more advanced supply chain. We are also focusing on expanding store networks primarily in Greater China and Southeast Asia, implementing upgraded store networks in all markets, and hiring and training human resources to build new organizational capabilities.

We must also focus tirelessly on low-cost management to maintain our strong competitiveness. Fast Retailing pursues Ariake Project corporate transformation in tandem with structural reform of business expenses. So far, we have successfully lowered distribution costs thanks to significantly higher inventory efficiency, increased store productivity, improved business productivity and efficiency, standardized and digitized business processes, and improved the cost-effectiveness of individual expenditures by strengthening the organizational power of our purchasing department. We will further accelerate these efforts, reviewing unprofitable businesses and stores and pursuing sound investments that consistently improve SG&A ratios.

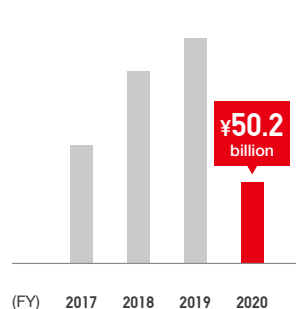
Our operating profit margin had been improving consistently, but it dropped back temporarily to 7.4% in FY2020 due to COVID-19. We expect the margin will rise to 11.1% in FY2021 on the back of a significant recovery in performance. Going forward, we aim to continue growing sales and to bring the operating profit margin swiftly up to 15%.

### Operating Profit by Group Operation

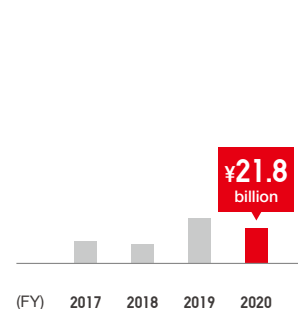
UNIQLO Japan



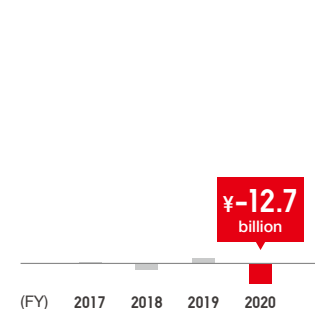
UNIQLO International



GU



Global Brands





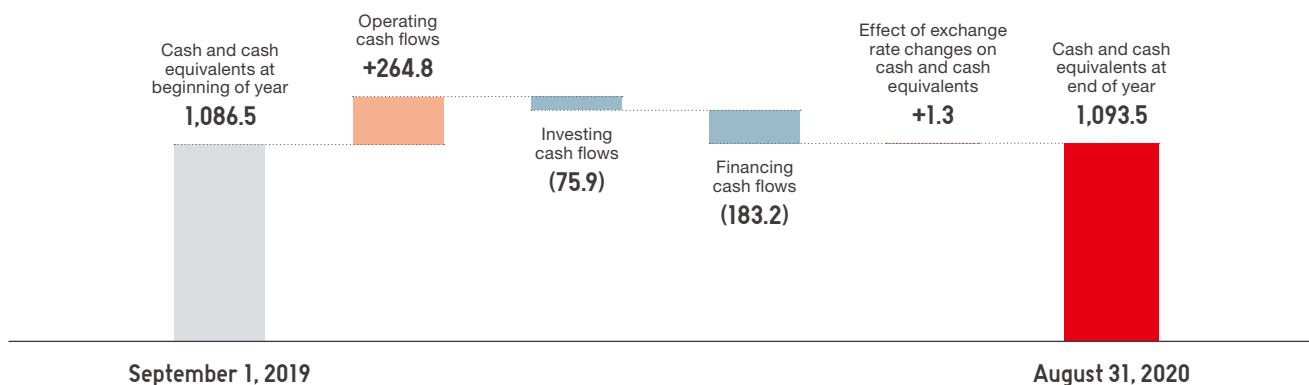
## Increase Value-generation Power of Cash to Effectively Secure Shareholder Returns, Growth Investment, and Ready Liquidity

Fast Retailing's financial strategy focuses on maintaining financial stability, maximizing free cash flow, and effectively utilizing that cash to secure shareholder returns, growth investment funds, and liquidity. We strive to hold three to five months' worth of monthly sales as working capital and risk capital funds to deal with any unforeseen circumstances. The balance of cash and cash equivalents stood at ¥1.0935 trillion

at the end of August 2020, an appropriate level that equates to roughly four months of our ¥3 trillion medium-term annual sales target.

Returning a portion of our profits to shareholders is a top priority. Our policy is to pay consistent and appropriate dividends that reflect corporate performance and consider operational funding requirements and financial soundness. We paid a dividend of ¥480 per share in FY2020 (54.2% annual dividend payout ratio). While COVID-19 resulted in a temporary shortfall in profits, the dividend level was in line with our policy given expectations for a recovery in performance.

### Cash Flow Information (billions of yen)



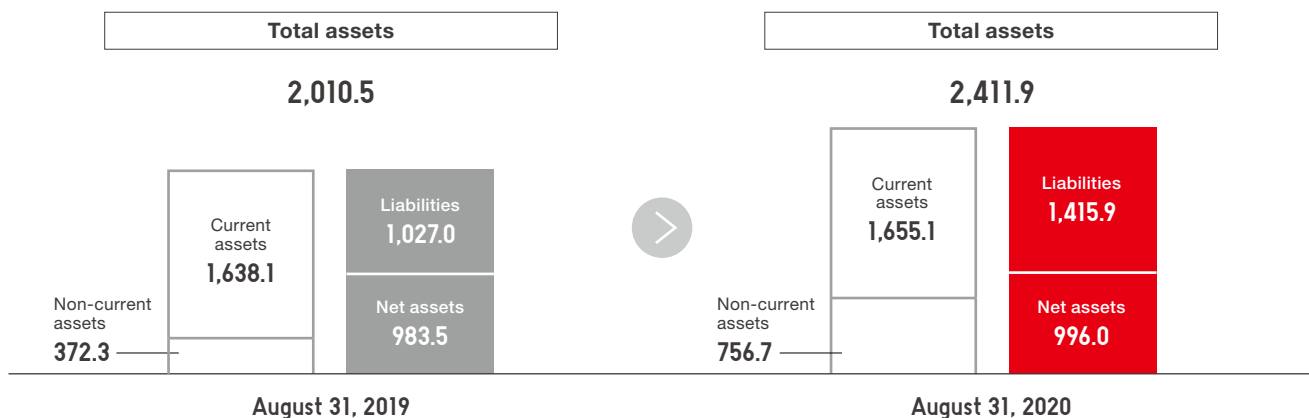
## A Solid Balance Sheet to Support Sustainable Growth

Total assets increased ¥401.4 billion to ¥2.4119 trillion at the end of August 2020 due primarily to the adoption of IFRS 16 from FY2020, which resulted in the recording of ¥399.9 billion in right-of-use assets (recording future lease obligations on lease contracts for stores, warehouse, offices, etc. as assets). As a result, the ratio of equity attributable to owners of the

Parent to total assets (shareholders' equity ratio) decreased 7.0 points to 39.7%. We aim to boost the medium to long-term ratio to roughly 50% by steadily accumulating profits through business activities.

ROE has traditionally tracked between 15% and 20% but declined 8.5 points to 9.5% in FY2020 as profit attributable to owners of the Parent fell sharply in the face of COVID-19. We expect ROE to recover to between 15% and 20% in FY2021 on the back of markedly improved performance.

### Balance Sheet (billions of yen)



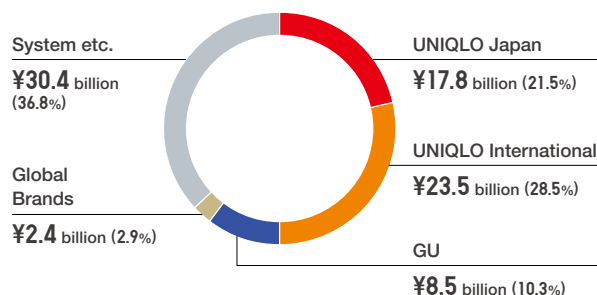
## Continue Proactive Investment to Expand Operations

While seeking to expand our global store network, Fast Retailing also invests aggressively in systems to help progress Ariake Project objectives and in other areas to help expand operations.

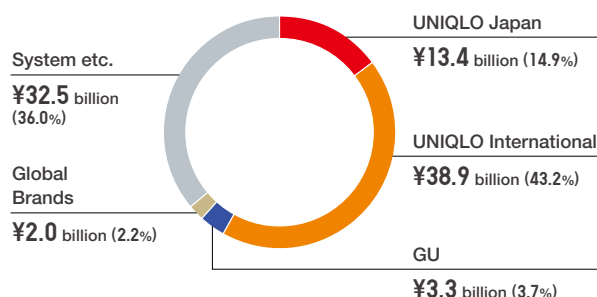
Capital expenditure declined by ¥2.4 billion to ¥82.7 billion in FY2020. That figure breaks down into ¥17.8 billion for UNIQLO Japan, ¥23.5 billion for UNIQLO International, ¥8.5 billion for GU, ¥2.4 billion for Global Brands, and ¥30.4 billion for systems, etc. While investment in Ariake Project-related IT systems, warehouse automation, and global flagship and large-format stores for UNIQLO Japan increased, UNIQLO International new store openings declined, resulting in a slight year-on-year fall in overall capital expenditure.

In FY2021, we expect capital expenditure will increase by ¥7.5 billion to ¥90.2 billion. For planned new store investment, ¥30.0 billion of that is earmarked (UNIQLO International: 155 stores, UNIQLO Japan: 30 stores, Global Brands: 28 stores, GU: 22 stores) and ¥60.2 billion for Ariake Project-related items as we plan to invest in new e-commerce platforms and new automated warehouses in Japan and several other countries.

## FY2020 Capital Expenditures



## FY2021 Capital Expenditures (forecast)

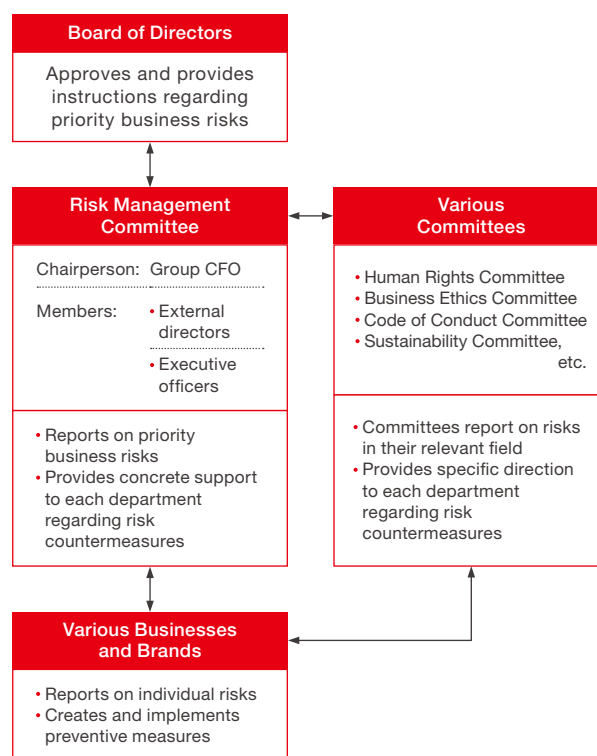


## Firm Risk Management System to Clarify Risks and Strengthen Our Response

Fast Retailing's Risk Management Committee reports directly to the Board and works to regularly identify latent risks in business activities and establish and strengthen frameworks to detect and manage material risks. The committee, chaired by myself as Group CFO, unifies the management of risk across Fast Retailing, analyzing and assessing the frequency and impact of risks on business. We identify high-risk areas requiring preventive countermeasures, and how to mount a speedy response when risk does occur. The committee also submits reports on significant risks to the Board and offers concrete support to departments required to deal with identified risks.

The committee met nine times in FY2020 to discuss the COVID-19 pandemic, the risk of an earthquake near Tokyo, other natural disasters, information security, and other topics.

## Risk Management Framework



# RISK FACTORS

The following is a list of the main potential risks which would have an especially large impact on the Group's operating results and financial situation. Future-related items in the descriptions below are assessed by the Group on the date of submission of the Year-end Report (November 27, 2020). This list of risks is not exhaustive, which means that the Group may be affected in the

future by risks it had not foreseen or did not recognize as significant at the time of compiling the report. If there are no details of risks already having materialized under the Risk Description and Effects on the Group column, then that risk has not yet surfaced and the timing or likelihood of whether it will indeed materialize at some point in the future is uncertain.

Risk Item	Risk Description and Effects on the Group	Main Group Initiatives
Risk of the large-scale, global spread of infectious diseases (including COVID-19)	<ul style="list-style-type: none"> <li>The large-scale, global spread of infectious diseases such as COVID-19 may cause difficulties in the production and supply of products to stores due to infection among employees of the Group and its partners, as well as due to measures enacted to prevent the spread of the disease.</li> <li>The global spread of COVID-19 has already materialized risks that have had negative effects on the entire Group, including the shutdown of production plants, logistical delays, restricted store hours, and more.</li> </ul>	<ul style="list-style-type: none"> <li>Led by the Company-wide Emergency Response Headquarters established by the Risk Management Committee, the Group develops medical evidence-based infection prevention measures aided by advice received from experts, and implements such measures at all Group offices and stores while ensuring all Group employees fully understand them.</li> <li>In addition to providing supplier factories with guidelines for improving their hygiene management to prevent infection at factories and for employee remuneration if factories are forced to shut down. We also have measures in place to support the financial stability of our production partners.</li> <li>In order to ensure that all customers can shop with peace of mind, in our stores we take all possible measures to prevent infection, and further request that all customers entering stores comply with the Group's infection countermeasures.</li> </ul>
Management personnel risk	<ul style="list-style-type: none"> <li>Members of the Group's management team, led by Chairman, President and CEO Tadashi Yanai, play a major role in their respective areas of responsibility. If any officer becomes unable to fulfill his or her duties and the Group is unable to find any personnel who can take on those important responsibilities, this could have an adverse impact on business performance.</li> </ul>	<ul style="list-style-type: none"> <li>In each of the Group's businesses, we have established a team-based executive management structure to ensure that decision-making and execution of duties are not dependent on specific management personnel.</li> <li>In each business, the managers themselves personally train the management personnel who will be their successors in those positions.</li> <li>We actively recruit globally active management talent on an ongoing basis, and we have established dedicated educational institutions to educate and train our hired talent into managers.</li> </ul>
Country risks and risks pertaining to international affairs	<ul style="list-style-type: none"> <li>The Group's product production, supply, and sale infrastructure may be adversely impacted by events in countries and regions in which we manufacture products and conduct business, due to factors including changes in political or economic conditions, social disorder or deterioration of public safety due to terrorism or conflicts, changes in legal or tax systems, or the occurrence of large-scale natural disasters such as earthquakes, strong winds, or water disasters.</li> </ul>	<ul style="list-style-type: none"> <li>The Group is moving forward with establishing a supply chain that can respond flexibly to changes in international conditions. This includes dispersing production sites across multiple countries and regions, as well establishing production management offices at our main production hubs to enable the timely monitoring of and quick response to local circumstances.</li> <li>We have accounting, tax, and legal specialists stationed at Group companies' offices to ensure that we can respond quickly and appropriately in the event that a risk materializes.</li> <li>With respect to cross-border tensions and deteriorating racial relations in specific countries and regions, the Group as a global company aims to contribute to the resolution of social issues in countries and regions in which we operate, and to achieve a lasting peaceful co-existence and co-prosperity in the communities within each region and country.</li> </ul>
Environmental risks	<ul style="list-style-type: none"> <li>We risk weakening public trust in Group brands if our climate change response is slow, such as delays in reducing greenhouse gas emissions or transitioning to renewable energy sources, or if we do not appropriately implement initiatives to reduce waste emissions, circulate resources, manage chemical substances, etc.</li> <li>Increasingly prevalent extreme weather conditions caused by climate change could adversely affect our product supply systems and our business as a whole.</li> </ul>	<ul style="list-style-type: none"> <li>Led by the Sustainability Committee, we persist in continually implementing concrete and highly effective initiatives under our Environmental Policy, with which we must ensure medium to long-term compliance as a Group, in five priority areas: addressing climate change, improving energy efficiency, managing water resources, improving waste management and resource efficiency, and managing chemical substances.</li> </ul>
Large-scale disaster risks	<ul style="list-style-type: none"> <li>Large-scale disasters such as earthquakes, typhoons, volcanic eruptions, fires, storms and floods, explosions, and collapsed buildings can adversely affect our product production, product supply systems, product sales systems, and also our management infrastructure in areas where there are head offices, retail stores, and production plants for products sold by the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Led by the Risk Management Committee, we are committed to establishing an infrastructure by which, in the event of an actual or potential major earthquake or other major disaster, we have an emergency command system prepared, run by the Emergency Response Headquarters to: ensure the safety of customers, employees, and related personnel; mitigate damage to business resources; prevent secondary disasters; develop infrastructure for quickly restoring business; prepare crisis management manuals and promote the global implementation of those manuals.</li> </ul>
Risks related to resource management and the procurement of raw materials	<ul style="list-style-type: none"> <li>Disasters, climate change, and other factors may cause escalating prices or difficulty in procuring the raw materials (such as cotton, cashmere, down, etc.) used in the products sold by the Group's businesses. If these risks materialize, the Group's product supply systems and performance may be adversely affected.</li> </ul>	<ul style="list-style-type: none"> <li>We have entered into procurement agreements with multiple suppliers so that we are able to source reasonably priced raw materials, without having to rely on a specific supplier for a specific raw material.</li> </ul>
Information security risks	<ul style="list-style-type: none"> <li>If customer information (including personal information), trade secrets, and other confidential information were to be leaked or lost, we would need to respond by recovering the information and possibly paying damages to customers, which could adversely affect our business performance and reduce customer trust.</li> <li>If a government were to determine that we are in violation of legal regulations that restrict the transfer of personal information between countries and regions, such as the EU's General Data Protection Regulation (GDPR), we may lose customers' trust and be subject to significant fines that would negatively impact our business performance.</li> </ul>	<ul style="list-style-type: none"> <li>In order to ensure that confidential information held by the Group is properly managed, we have established an Information Security Office under the direction of a Chief Security Officer (CSO) who oversees the entire Group.</li> <li>Working in cooperation with the IT and legal departments of each country and region in which we operate, the Information Security Office builds and improves the infrastructure needed to properly manage sensitive information (especially customers' personal information) in anticipation of external attacks, internal fraud and various other incidents. This is done by putting in place infrastructure, evaluating our administrative processes and ours contractors, establishing and standardizing internal rules, and conducting regular educational and awareness activities in each business division.</li> </ul>



Intellectual property risks	<ul style="list-style-type: none"> <li>Intellectual property rights apply in relation to the Group's products and the latest technologies used in all kinds of areas, including product management, store operations, and e-commerce websites. These rights not being licensed to us by their owners would present difficulties in our use of these technologies or in supplying products.</li> <li>If these technologies or products were to infringe on the intellectual property rights of others, we may be liable to pay substantial damages or license fees that may adversely affect our business performance.</li> <li>If the Group's products were to be copied by third parties and sold at low prices, this may negatively impact our business performance.</li> </ul>	<ul style="list-style-type: none"> <li>In order to address these intellectual property risks, the Group has a dedicated department in place dealing with intellectual property. This department investigates infringements during product development and during the implementation of technologies, and in an effort to prevent infringements of intellectual property rights also runs educational and awareness activities for Group employees.</li> <li>We actively take steps to acquire the rights to new technologies that we develop. Furthermore, we monitor markets in the countries and regions in which we operate or plan to expand, and cooperate with local legal departments, local law firms, and government agencies to gather information about counterfeit products and other intellectual property infringements.</li> <li>In the event that infringement can be confirmed or if we fear such an infringement may have occurred, we work with local legal departments and local law firms to quickly consider our course of action, including a legal response.</li> </ul>
Human rights risks	<ul style="list-style-type: none"> <li>All of the Group's businesses operate an SPA business model which integrates all stages of the business process, from products being designed by each business, to them being directly procured from factories and then delivered to customers. The supply chain involved in this SPA business model includes many of our business partners' employees, as well as those of the Group. Within the business system, deterioration in working environment or in health and safety, human rights violations such as harassment or discriminatory behavior, or other such acts that significantly infringe on the human rights of those affected may result in the Group losing the trust of our customers and suppliers, and consequently may negatively impact the supply and sale of our products.</li> </ul>	<ul style="list-style-type: none"> <li>Our supply chain policy is based on our view that our most important responsibility is to respect the basic human rights of all people working in the supply chain of Group businesses, whether they are employees of the Group or of our business partners, and to ensure those employees' physical and mental health, safety, and peace of mind.</li> <li>We have developed human rights guidelines, provide code of conduct (COC) training, operate an employee hotline, and conduct regular reviews in order to prevent human rights violations from occurring.</li> <li>Led by our Sustainability Department, we are committed to maintaining and improving suitable working environments through monitoring work environments at supplier factories, and operating hotlines for the employees of those factories.</li> <li>In the event that a human rights violation does occur, in addition to the Human Rights Committee investigating and deliberating on the matter, we also have in place a framework for providing mental healthcare for the victim.</li> </ul>
Risks originating from business partners	<ul style="list-style-type: none"> <li>The Group conducts business with many suppliers and business partners, which presents a variety of risks associated with business partners involved in product planning, production, transportation, and sales.</li> <li>These risks include the possibility that our partners may not share the values and principles of the Group, which may lead to a drop in business efficiency, or the possibility that a partners financial status may make it difficult for us to adequately collect on receivables. These possibilities can have an adverse effect on our business performance, and furthermore may result in our unintentionally engaging in business with anti-social organizations (e.g. criminal groups and individuals) or violations of laws on the part of our partners. If these risks were to materialize, they may lead to a loss of trust in the Group among our customers and society.</li> <li>In addition, for example during the transportation of products by delivery operators or while products are being stored at a warehouse, products may be destroyed, damaged, or stolen as a result of a natural disaster or human behavior, or it may not be possible to complete a transaction due to a problem arising with our partner or with local laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>In order to avoid entering into business relationships with inappropriate partners, all Group companies carry out credit checks as necessary when entering into a transaction with a new business partner.</li> <li>In order to build appropriate business relationships with all of our partners, the Group has established Business Partner Conduct Guidelines and conducts business only with those partners who agree to and comply with those guidelines.</li> <li>In response to the risks associated with dealing with delivery operators and warehouse operators, each of our businesses has logistics personnel in place who are in constant communication with our delivery and warehouse-operating business partners. These personnel are on-hand to promptly report any problems that arise in product shipping or storage to local management and the Global Logistics Headquarters, a system which enables them to promptly consider and action a response.</li> </ul>
Impairment risks	<ul style="list-style-type: none"> <li>As a general rule, the Group considers each store as a small unit that generates an independent cash flow. We apply impairment accounting on that basis to determine the likelihood of a return on investment in a timely manner. If profitability decreases due to changes in the business environment, impairment losses may be recorded under property, plant, and equipment and right-of-use assets, among others.</li> <li>Due to the application of IFRS 16 from August 2020 onward, impairment losses when profitability decreases are now larger than before, due to increases in right-of-use assets on the balance sheet.</li> </ul>	<ul style="list-style-type: none"> <li>We apply impairment accounting to quickly identify signs of impairment, quickly identify unprofitable stores, and to ensure proper accounting.</li> <li>We strive to understand the underlying cause of a store's drop in profitability, and develop fundamental profitability improvement plans for them.</li> </ul>
Foreign currency risks	<ul style="list-style-type: none"> <li>Many of the products handled by each of the Group's businesses are imported from overseas production plants. Fluctuations in the currencies of settlement may have an adverse effect on our performance of each business.</li> <li>The Group as a whole has financial assets in a variety of currencies in line with where we operate our businesses. Fluctuations in exchange rates against yen, which is the Group's functional currency, can have a major impact on financial gains and losses.</li> </ul>	<ul style="list-style-type: none"> <li>In order to mitigate foreign exchange volatility in our international businesses, we have forward exchange contracts that extend several years into the future based on our procurement forecasts. In this process, the Group Board of Directors discusses and approves specific hedging policies such as hedge ratios, time periods, and other aspects, taking into account their contribution to our financial security.</li> <li>The Board of Directors discusses the viability of the currencies in which our financial assets are held.</li> </ul>
Risks arising from changes in the business environment	<ul style="list-style-type: none"> <li>In each country and region in which the Group's businesses operates, changes in the business environment, such as inclement weather and changes in consumption trends, may result in drops in product sales and the accumulation of excess inventory, negatively impacting our business performance.</li> </ul>	<ul style="list-style-type: none"> <li>We collect timely information on the products required by customers in the countries and regions in which the Group's businesses operate. We have the infrastructure in place to immediately commercialize those products as well as to produce and sell the quantity required, responding to changes in the business environment as flexibly as possible.</li> </ul>

# HISTORY

**1949.3**

Men's Shop Ogori Shoji is founded in Ube City, Yamaguchi Prefecture, Japan.

**1963.5**

Ogori Shoji Co., Ltd. is established with capital of 6 million yen.

**1984.6**

The first UNIQLO store opens in Hiroshima (closed in August 1991).



**1985.6**

First UNIQLO roadside store opens.



**1991.9**

Company name is changed to FAST RETAILING CO., LTD.

**1994.7**

Company stock is listed on the Hiroshima Stock Exchange.

**1998.10**

1,900-yen fleece campaign succeeds in attracting large public attention.



**1998.11**

First urban UNIQLO store opens in the fashionable Harajuku district of Tokyo (closed in 2012).



**1999.2**

Company stock is listed on the First Section of the Tokyo Stock Exchange.

**2000.10**

E-commerce business launches.

**2001.9**

First UNIQLO outside Japan store opens in London.



**2002.4**

UNIQLO Design Studio (current R&D Center) is established.

**2002.9**

First UNIQLO China store opens in Shanghai.

**2004.1**

Fast Retailing invests in Link International Co., Ltd. (now LINK THEORY JAPAN CO., LTD.), developer of Theory brand apparel.



**2004.9**

UNIQLO makes Global Quality Declaration, and cashmere campaign generates high level of consumer interest.



**2004.12**

UNIQLO Design Studio, New York, Inc. is established.

**2005.9**

First UNIQLO South Korea store opens in Seoul.

**2005.9**

First UNIQLO Hong Kong store opens in the Tsim Sha Tsui shopping district.

**2005.11**

Holding company structure is adopted at Fast Retailing.

**2006.6**

Strategic business partnership is established between UNIQLO and Toray Industries, Inc.

**2006.9**

UNIQLO All-Product Recycling Initiative commences.



**2006.10**

First GU store opens in Chiba Prefecture, Japan.

**2006.11**

First UNIQLO global flagship store opens in Soho, New York City.



**2007.11**

Global flagship store, UNIQLO 311 Oxford Street Store, opens in London.

**2007.12**

First UNIQLO France store opens in Paris.

**2009.3**

LINK THEORY JAPAN CO., LTD. becomes a subsidiary.

**2009.4**

First UNIQLO Singapore store opens.

**2009.10**

Global flagship store, Paris Opera Store, opens.



**2010.4**

First UNIQLO Russia store opens in Moscow.

**2010.5**

Global flagship store, UNIQLO West Nanjing Road Store, opens in Shanghai.



**2010.10**

Global flagship store, UNIQLO Shinsaibashi Store, opens in Osaka.



**2010.10**

First GU flagship store opens in Shinsaibashi, Osaka.

**2010.10**

First UNIQLO Taiwan store opens in Taipei.

**2010.11**

First UNIQLO Malaysia store opens in Kuala Lumpur.

**2011.2**

Global Partnership Agreement with UNHCR is established, reinforcing All-Product Recycling Initiative.

**2011.9**

First UNIQLO Thailand store opens in Bangkok.

**2011.9**

Global flagship store, UNIQLO Mingyao Department Store, opens in Taipei.



**2011.10**

Global flagship store, UNIQLO New York 5th Avenue Store, opens in New York City.



**2012.3**

Global flagship store, UNIQLO Ginza, opens in Tokyo.



**2012.3**

GU flagship store opens in Ginza, Tokyo.

**2012.6**

First UNIQLO Philippines store opens in Manila.

**2012.9**

Global hotspot store, BICQLO Shinjuku East Exit Store, opens in Tokyo.

**2013.4**

Global flagship store, UNIQLO Lee Theatre Store, opens in Hong Kong.

**2013.6**

First UNIQLO Indonesia store opens in Jakarta.

**2013.9**

First GU outside Japan store opens in Shanghai.

**2013.9**

Global flagship store, UNIQLO SHANGHAI, opens in China.



**2014.3**

Fast Retailing Hong Kong Depository Receipts (HDR) are listed on the Stock Exchange of Hong Kong.



**2014.3**

Global hotspot store, UNIQLO Ikebukuro Sunshine 60 Street Store, opens in Tokyo.

**2014.4**

First UNIQLO Australia store opens in Melbourne.

**2014.4**

First UNIQLO Germany store, Tauentzien global flagship, opens in Berlin.

**2014.4**

Global hotspot store, UNIQLO Okachimachi Store, opens in Tokyo.

**2014.10**

Global hotspot store, UNIQLO Kichijoji Store, opens in Tokyo.

**2014.10**

Global flagship store, UNIQLO OSAKA, opens in Osaka.

**2015.10**

First UNIQLO Belgium store opens in Antwerp.

**2015.10**

First store in the U.S. Midwest, the UNIQLO Michigan Avenue Store, opens in Chicago.



**2016.4**

Construction is completed on state-of-the-art distribution center in Ariake, Tokyo.



**2016.9**

UNIQLO Orchard Central Store opens as the first UNIQLO global flagship store in Southeast Asia.

**2016.9**

First UNIQLO Canada store opens in Toronto.

**2017.9**

First UNIQLO Spain store opens in Barcelona.



**2018.6**

Included in FTSE 4Good Index Series and FTSE Blossom Japan Index for responsible social investment.

**2018.8**

First UNIQLO Sweden store opens in Stockholm.

**2018.9**

First UNIQLO Netherlands store opens in Amsterdam.

**2018.10**

Global flagship store, UNIQLO Manila store, opens in the Philippines.



**2018.10**

Fast Retailing forms a logistics-related strategic global partnership with materials handling equipment firm Daifuku Co., Ltd.

**2018.10**

The Ariake distribution center starts operating as a fully automated dedicated online sales warehouse.

**2019.4**

First UNIQLO Denmark store opens in Copenhagen.



**2019.9**

First UNIQLO Italy store opens in Milan.



**2019.10**

First UNIQLO India store opens in New Delhi.



**2019.11**

Forms a global partnership agreement for supply chain transformation with Daifuku Co., Ltd., MUJIN, Inc., and Exotec Solutions SAS.

**2019.12**

First UNIQLO Vietnam store opens in Ho Chi Minh City.

**2020.4**

Opens UNIQLO PARK Yokohama Bayside store, our new-style large-format stores offering fun for all the family.

**2020.6**

Opens UNIQLO Harajuku, our latest store embodying the perfect mix of real and virtual shopping.

**2020.6**

Opens UNIQLO TOKYO in Ginza, our LifeWear showcase global flagship store.





# INVESTOR INFORMATION (As of August 31, 2020)

## ■ Stock Exchange Listing

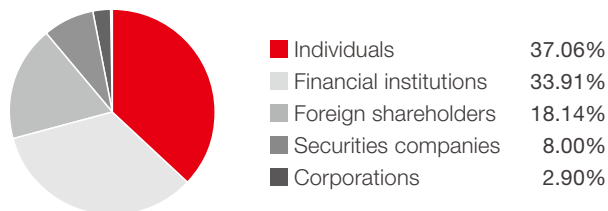
Tokyo Stock Exchange (First Section)  
Securities Code: 9983

The Stock Exchange of Hong Kong (Main Board)  
Securities Code: 6288

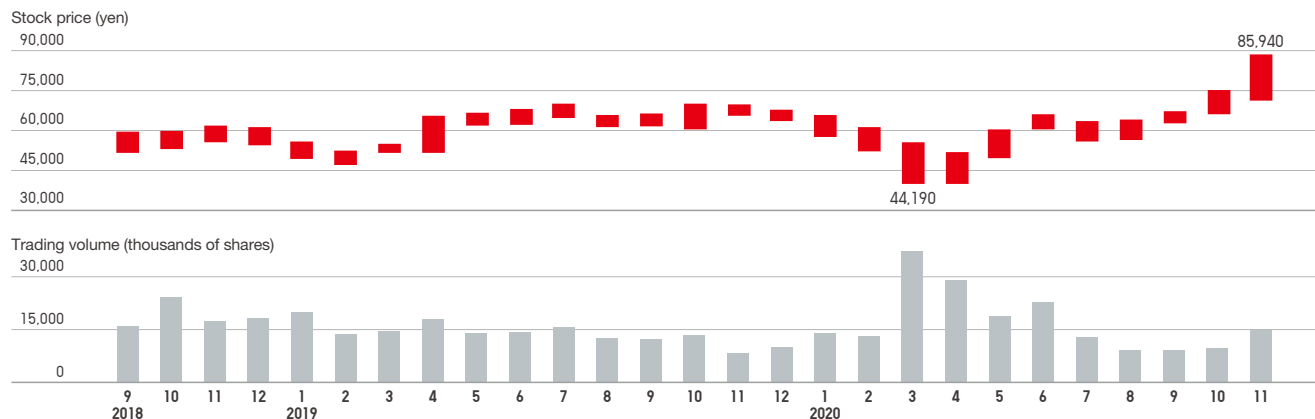
## ■ Stock Information

Number of shares authorized	300,000,000
Number of issued and outstanding shares (including treasury stock)	106,073,656
Number of shareholders (including holders of treasury stock)	9,340

## ■ Distribution of Share Ownership



## ■ Stock Price and Trading Volume



## ■ Information Available in the Investor Relations (IR) Section of Our Website

You can access materials and videos of our latest business results, meetings, and press conferences.

### Monthly Retail Data

You can view monthly sales for UNIQLO Japan.

### IR Library

You can access the latest IR publications, including the Annual Report, Fact Book, and Securities Report.

### IR Calendar

You can access the schedule for monthly announcements, business results meetings, and other events.

### IR News

You can access the latest IR news and releases.

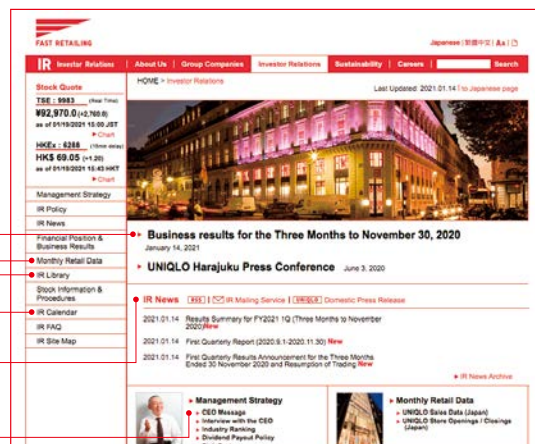
### CEO Message

You can access the latest message from the chairman of Fast Retailing.

## ■ Principal Shareholders

	Number of shares	Percentage* of total shares in issue (%)
Tadashi Yanai	22,037,284	21.58
The Master Trust Bank of Japan, Ltd. (Trust account)	20,785,900	20.36
Custody Bank of Japan, Ltd. (Trust account)	14,202,700	13.91
TTY Management B.V.	5,310,000	5.20
Kazumi Yanai	4,781,808	4.68
Koji Yanai	4,780,926	4.68
Fight & Step Co., Ltd.	4,750,000	4.65
MASTERMIND Co., Ltd.	3,610,000	3.54
Teruyo Yanai	2,327,848	2.28
JP MORGAN CHASE BANK	2,142,399	2.10

\*In addition to the above, the Company holds 3,973,113 shares of treasury stock.



[www.fastretailing.com/eng/ir/](http://www.fastretailing.com/eng/ir/)

# CORPORATE INFORMATION (As of December 31, 2020)

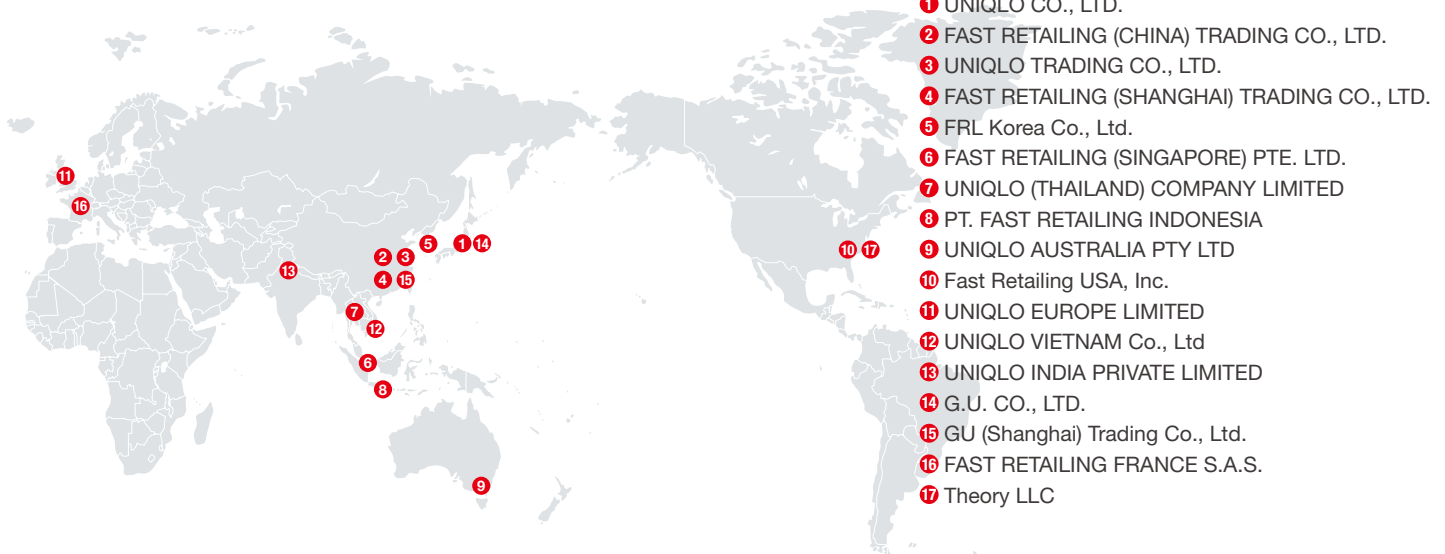
## ■ Corporate Data

Trade Name	FAST RETAILING CO., LTD.
Head Office	10717-1 Sayama, Yamaguchi City Yamaguchi 754-0894, Japan
Roppongi Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku Tokyo 107-6231, Japan
Ariake Office	6F UNIQLO CITY TOKYO, 1-6-7 Ariake, Koto-ku, Tokyo 135-0063, Japan
Established	May 1, 1963
Paid-in Capital	¥10,274 million
Line of Business	Control and management of overall Group activities as owner and holding company
Number of Full-time Employees (Consolidated)	57,727 (As of August 31, 2020)
Fiscal Year Ends	August 31
Annual Shareholders' Meeting	Late November
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation Shin- TOKYO Post Office post office box No. 29 137-8081, Japan Telephone: 0120-232-711 (From Japan)
Number of Shares per Trading Unit	100 shares (Tokyo Stock Exchange) 300 HDR (The Stock Exchange of Hong Kong)

## ■ Board of Directors

Chairman, President & CEO	Tadashi Yanai
External Directors	Toru Hambayashi Nobumichi Hattori Masaaki Shintaku Takashi Nawa Naotake Ono
Internal Directors	Takeshi Okazaki Kazumi Yanai Koji Yanai
Standing Statutory Auditors	Akira Tanaka Masaaki Shinjo Masumi Mizusawa
External Statutory Auditors	Keiko Kaneko Takao Kashitani Masakatsu Mori

## ■ Main Group Companies



## ■ Contact Us

**FAST RETAILING CO., LTD.**  
[www.fastretailing.com/eng/](http://www.fastretailing.com/eng/)  
 Midtown Tower, 9-7-1 Akasaka, Minato-ku  
 Tokyo 107-6231, Japan  
 Telephone: +81-3-6865-0050  
 9AM-4PM (JST) Monday-Friday (except national holidays)

## ■ Forward-looking Statements

Statements in this annual report with respect to the Company's plans, strategies, forecasts, and other statements that are not historical facts are forward-looking statements that are based on management's judgment in light of currently available information. Factors that could cause actual results to differ materially from our earnings forecasts include, without limitation, global economic conditions, our response to market demand for and competitive pricing pressure on products and services, and currency exchange rate fluctuations.

This report is printed with non-VOC ink for paper certified by the Forest Stewardship Council® (FSC®), an international labeling scheme that provides a credible guarantee that the raw materials used in the product come from an environmentally managed forest.



A hand is reaching out from the right side of the frame towards a yellow ball that is perched on a green vertical pole. The background is a blurred outdoor setting with green bushes and a chain-link fence. The bottom of the image has a solid green overlay with white text.

**THE FAST RETAILING WAY**—FR Group Corporate Philosophy

Changing clothes.  
Changing conventional wisdom.  
Change the world.



UNIQLO Global Brand Ambassador Roger Federer sports UNIQLO's fast-drying DRY-EX wear made from recycled polyester for his official tennis matches and practice sessions, too.





**FAST RETAILING**

**FAST RETAILING CO., LTD.**  
**[www.fastretailing.com](http://www.fastretailing.com)**

The model on the front cover is wearing Uniqlo U, a premium collection from artistic director Christophe Lemaire. Our ultimate everyday wear grows more sophisticated with every passing season.